

2014/2015

Ubuntu Municipality
ANNUAL
REPORT

Volume I

Ubuntu Municipality



*menswaardigheid • hoop • erfenis
ubuntu • ithemba • izithethe
humanity • hope • heritage*

Contents

CONTENTS

| | |
|--|----|
| CONTENTS..... | 2 |
| CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY | 5 |
| COMPONENT A: MAYOR’S FOREWORD | 5 |
| COMPONENT B: EXECUTIVE SUMMARY | 7 |
| 1.1. MUNICIPAL MANAGER’S OVERVIEW | 9 |
| 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW | 11 |
| 1.3. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW | 12 |
| 1.4. FINANCIAL HEALTH OVERVIEW | 13 |
| 1.5. AUDITOR GENERAL REPORT | 17 |
| 1.6. STATUTORY ANNUAL REPORT PROCESS | 17 |
| CHAPTER 2.1 – GOVERNANCE..... | 19 |
| 2.2 ADMINISTRATIVE GOVERNANCE | 26 |
| COMPONENT B: INTERGOVERNMENTAL RELATIONS..... | 29 |
| 2.3 INTERGOVERNMENTAL RELATIONS | 29 |
| COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION | 30 |
| 2.4 PUBLIC MEETINGS | 31 |
| 2.5 IDP PARTICIPATION AND ALIGNMENT | 32 |
| COMPONENT D: CORPORATE GOVERNANCE | 32 |
| 2.6 RISK MANAGEMENT..... | 33 |
| 2.7 ANTI-CORRUPTION AND FRAUD | 33 |
| 2.8 SUPPLY CHAIN MANAGEMENT | 33 |
| 2.9 BY-LAWS..... | 34 |
| 2.10 WEBSITES..... | 34 |
| 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES..... | 35 |
| CHAPTER 3- SERVICE DELIVERY PERFORMANCE(PERFORMANCE REPORT PART 1 | 36 |
| COMPONENT A: BASIC SERVICES..... | 37 |

Contents

| | | |
|------|--|----|
| 3.11 | LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES) | 57 |
| | COMPONENT D: COMMUNITY & SOCIAL SERVICES | 57 |
| 55 | CEMETORIES AND CREMATORIUMS | 58 |
| | COMPONENT F: HEALTH | 58 |
| | COMPONENT G: SECURITY AND SAFETY | 59 |
| | COMPONENT H: SPORT AND RECREATION | 59 |
| 3.70 | FINANCIAL SERVICES | 59 |
| 3.71 | HUMAN RESOURCE SERVICES | 60 |
| 3.72 | INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES | 63 |
| 3.73 | PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES | 63 |
| 4.1 | STATEMENTS OF FINANCIAL PERFORMANCE | 64 |
| 4.2 | GRANTS | 64 |
| 4.3 | ASSET MANAGEMENT | 64 |
| 4.4 | PERFORMANCE REWARDS | 65 |
| | COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE | 65 |
| | COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE | 66 |
| 4.6 | EMPLOYEE EXPENDITURE | 67 |
| | CHAPTER 5 – FINANCIAL PERFORMANCE | 69 |
| | COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE | 69 |
| 5.1 | STATEMENTS OF FINANCIAL PERFORMANCE | 69 |
| 5.2 | GRANTS | 72 |
| 5.3 | ASSET MANAGEMENT | 73 |
| 5.4 | FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS | 75 |
| | COMPONENT B: SPENDING AGAINST CAPITAL BUDGET | 82 |
| 5.5 | CAPITAL EXPENDITURE | 83 |
| 5.6 | SOURCES OF FINANCE | 83 |

Contents

| | |
|--|----|
| 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS | 84 |
| BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW-Zingange | 85 |
| COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS | 87 |
| 5.9 CASH FLOW | 88 |
| 5.10 BORROWING AND INVESTMENTS | 89 |
| 5.11 PUBLIC PRIVATE PARTNERSHIPS | 93 |
| COMPONENT D: OTHER FINANCIAL MATTERS | 93 |
| 5.12 SUPPLY CHAIN MANAGEMENT | 93 |
| 5.13 GRAP COMPLIANCE | 93 |
| CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS | 94 |
| COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2014/2015 | 94 |
| 6.1 AUDITOR GENERAL REPORTS 2014/2015 | 94 |
| COMPONENT B: AUDITOR-GENERAL OPINION 2014/2015 | 94 |
| 6.2 AUDITOR GENERAL REPORT 2014/2015 | 94 |
| APPENDICES | 96 |
| APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY | 96 |
| APPENDIX E – WARD REPORTING | 98 |

Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

The format and content of the Annual Report is largely prescribed by Section 46 of the Local Government: Municipal Systems Act (No: 32 of 2000) and Sections 121 and 127 (2) of the Local Government: Municipal Finance Management Act (No: 56 of 2003). The above legislation compels the Municipality to prepare an Annual Report for each financial year and the Mayor to table such a report in Council within seven months after the end of each financial year.

It is always a daunting task to provide a complete account on the responsibilities conferred upon us by the electorate. Most significantly, we do so being quite conscious of the fact that the general public deserves its rightful place at the apex of the 'accountability chain'. In presenting this Annual Report, Ubuntu Municipality sets out the performance highlights and financial management for the 2014/2015 financial year.

We owe this timely reporting to our colleagues in government, the people of Ubuntu and all those who live, work and play in our municipal area by providing them with an insight into our approach to governance and service delivery. This Annual Report is a culmination of the implementation of the Council's adopted Integrated Development Plan (IDP), Budget and Service Delivery and Budget Implementation Plan for the 2014/2015 financial year. In essence, the report is an account of Ubuntu Municipality's achievements in the year under review, and as with any rigorous instrument it also assists in identifying our successes and failures. This report is therefore intended to attest to the collective efforts of the administrative and political arms of the Municipality to progressively address the expectations of our people.

It will of course remain true for some time to come that the challenges of poverty, under development and the historical legacy of neglect will remain with us beyond the term of office of any elected political office bearer or

Chapter 1

top management official. This clearly qualifies the fact that 'development is not an event but a process' which requires multiple resources and effective leadership. Based on aforementioned facts it is safe to say that council is extremely serious to address mal-administration and corruption in the organization. The municipality was however forced to take disciplinary actions against one of its senior managers during the financial year after a thorough investigation conducted by an independent accredited company. I have no doubt that this will be a useful document for Councilors, Staff and Stakeholders as we strive to continuously improve our services to the people of Ubuntu.

I remain committed to working together with my fellow councilors, committees, other stakeholders and the Municipal Administration in realizing our vision and making it a practical reality. We are positive that Ubuntu Municipality's future holds the promise of a better managed and financially viable institution which delivers excellent services to the communities.

We are well aware of our shortcomings and challenges but I am proud to highlight the following strategic initiatives:

- Turn-key local economic projects solar plantations, LED Energy saving projects and re-engineering of traffic management department.
 - Revenue enhancement strategies such as appointing a debt collecting company.
 - Re-structuring of Organogram: Staff Structure.
 - Improvement of communication structure to ensure effective communication between Ubuntu and other concerned stakeholders.

I trust that *every* reader who studies this report from a balanced and fair perspective will concur with this impression.

Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

The Municipality

Ubuntu Municipality was established in 2000 in terms of the Municipal System Act and is the amalgamation of three formally autonomous towns Loxton Victoria West and Richmond. The Municipality is situated in the Southern part of the Northern Cape Province. The council and administrative head office is situated within the town Victoria West

Vision

Ubuntu Municipality had redefined its strategic direction envisioned as. To create a space where humanity meets.

In its vision Ubuntu Municipality intends honouring its name Ubuntu – Humanity, meaning put people first in whatever we are doing. Thus we had adopted the following values: (Pro poor focus, Respect; Empathy; courtesy; people centeredness; transparency; Equity and Non racialism and non sexism.

In applying these values in our every day professional working life we striving to realise our vision and our driving force will be following

Strategic objective

- 1 Building better communities
- 2 Enhance finance stability
- 3 Establish effective and efficient sustainable services
- 3 Enhanced; effective accountable and clean institutional management and corporate governance (Clean Audit.)

Our aim with these strategic objectives is to achieve the following strategic outcomes: Financial liquidity; employment and growth in the GDP, investment,

Chapter 1

liveable integrated communities; payment of services, good governance and human capital and a sound credit rating.

Ubuntu Municipality seeks to align its self to the Provincial Growth and development Plan; the district growth and development Plan ; as well as keeping focus on its own IDP *strategic outcomes as well as whatever strategic direction that is been set by COGTA and or National Treasury*

Even through the hang council reality is hampering good progress. We engaged in a strategic planning session where the aforementioned vision was delivered and a living developed strategic planning document to unequivocally steer the direction. Although the past year was clouded with cheap politicking; silly newspaper articles in the anti municipality local newspaper, because of its ANC leadership; we stay focussed and improved our audit opinion to an Unqualified audit opinion. This was a first in the life time of our municipality; this achievement never reflected in the Messenger. Our interventions in the wind farm project, leaves more than 200 job opportunities for our community, in fact the contractors with the assistance of Department of labour to register our people for unemployment. The Municipality with the assistance of the District Municipality upgrades Sunrise Sport Stadium and are committed to further improve it. More than 7 kilometre of road have been tarred in the community that creates almost 100 jobs. Even the upgrading of the external storm water for almost R5 million, creates 140 job opportunities.

Ubuntu Municipality from its own resources starts a town planning process, and have completed the first phase of 880 sites in extension 11, Victoria West , where as the second phase 250 site for Loxton and almost 500 sites for Richmond with a further 400 sites for Victoria West in going to be penned during the course of the financial year.

Again allow me to re-iterate the comment made by our former president, on the many needy questions of our communities. “Ubuntu Municipality is a very poor community with many needs”.

Chapter 1

As you have noticed all your basic services have been delivered timeously, never without water, electricity refused removed etc. Our commitments as the council is to always better on that, but will always with your support and commitment do whatever possible to minimize the effect of the scourge of HIV/Aids, unemployment reality and lack of business opportunities. Together we can do more

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

This report is compiled and tabled in terms of section 127(2) of the Municipal Finance Management Act (MFMA), which require that the performance report of the municipality be tabled at the municipal council by the mayor.

There after the municipal manager must make the report public and invite the local community to submit representation in respect to issues raised in public.

The report aims to reflect on the work carried out in the 2014/15 financial year and to provide feedback on performance against targets to various stakeholders including the community, as well as the developmental and institutional aspects, including financial performance.

The year under review was not only a financially difficult year , but also administratively and politically very challenging .The complications of a hang_council resulted in the delay of almost everything, in fact it takes council almost more than half of the year to only appoint the accounting officer ,left at alone walking out of a council meeting when parties are not in agreement ,even though parties tribunal have been established to remedy the situation .It possess serious threat or challenges for legal compliance and administrative governance.

Amongst_all of these we still managed to improve our audit opinion from Qualified to a qualified opinion with matters. A very a first for the institution and one that we are very proud of.

The Municipality is in arrears with the Eskom account, although we sometimes exceed the thirty day time periods for creditors.

One of the biggest issues the council had to face is water scarcity, and the delivery

Chapter 1

of water from a farmer, a very unstable relationship. Even though contingency plans are put in place through the development of additional bore holes, catering for that demand the wastage of water remains a serious concern. In fact the demand for full water borne sanitation services is worsening the situation. The reality of us living in a water scarce area needs to be handling with care, and is prepaid water metering the only viable option. The latter are close to its final stage and only need political buy in. The truth of the matter is water scarcity and problems can threatens potential economic development. A full analysis of water resources are made of the entire Municipal Area and will be available in due course on our website.

Electricity losses are another challenge that needs careful consideration.

On average we lose almost 25 percent of electricity, something we really can't afford and drastic action needs to be taken. In fact when we caught perpetrators we implement council policies cutting their services and fining them. Remembering these excessive electricity burden, resulted in exceeding our maximum demand limit, for which we pay huge penalties.

The above mentioned services need both administration and politicians to join hands, as a collective taking care of it. In fact both these service, with sewerage services had ageing infrastructure problems, the need for upgrades and replacements (rather than patching and hoping for the best) which are compounded by any growth in population, many of whom are simply unable to contribute to the Municipal fiscal.

On a daily basis we strive to deliver services promptly and without delays ,not only availing water services non-stop to our consumers ,but also in compliances with National Water Act meaning we always do regular water sampling , testing and treatment , thus our blue drop status is 72.6 percentage. Our position is in this regard in the province is 4 place.

With regards to MIG spending, the funds spend for infrastructure for upgrading in our previously disadvantage areas , we maintain an average spending of not less than 90%.Upgrading of our roads, external storm water , landfill sites , cemeteries etc., this where we have created almost 400 jobs

More needs to be bone with the control of stray animals, and also the management commonage rentals.

Ubuntu Municipality is an institution at work, under pressing circumstances. We dare not fail our people who have entrusted us with the privilege of service delivery.

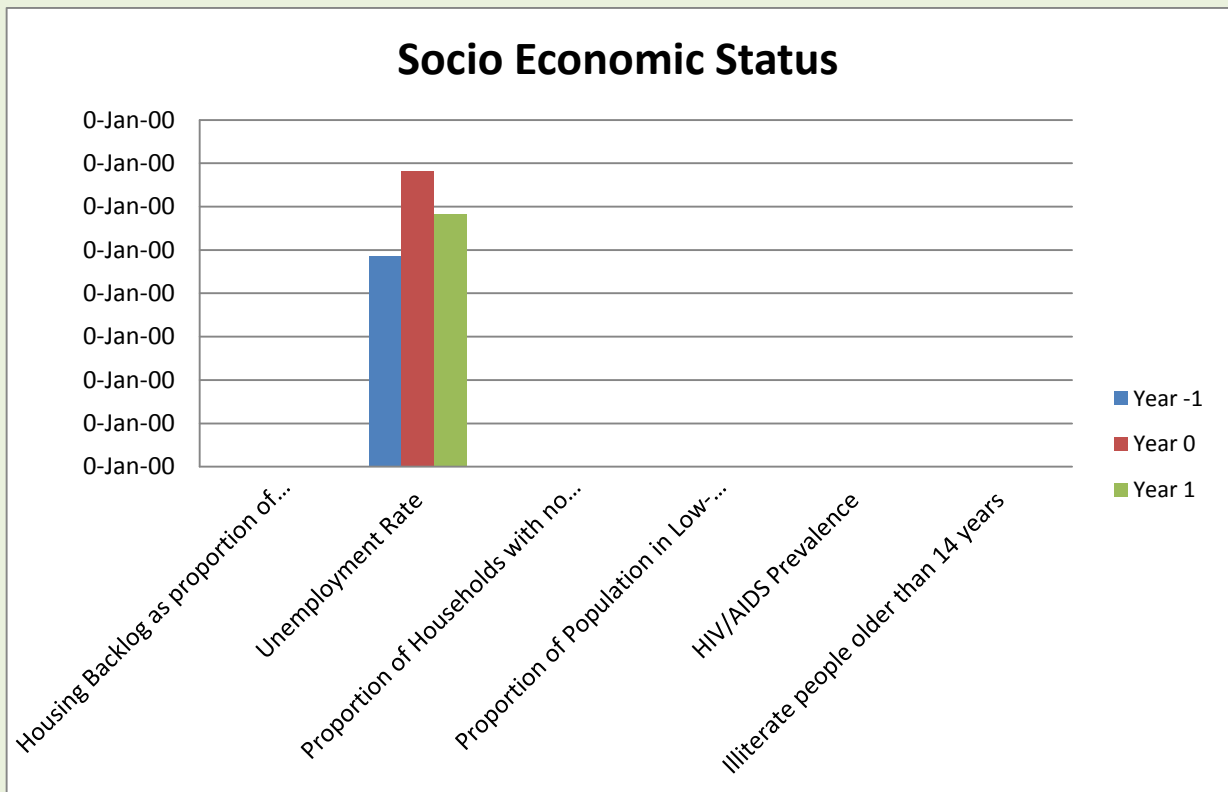
Chapter 1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

| Population Details | | | | | | | | | |
|-----------------------|------|--------|-------|------|--------|-------|------|--------|-------|
| Age | 1996 | | | 2001 | | | 2011 | | |
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Age: 0 - 4 | 1089 | 1139 | 2228 | 914 | 928 | 1842 | 1066 | 1087 | 2153 |
| Age: 5 - 9 | 1164 | 1262 | 2426 | 875 | 886 | 1761 | 1057 | 1101 | 2158 |
| Age: 10 - 19 | 2303 | 2318 | 4621 | 1808 | 1770 | 3578 | 1805 | 1729 | 3534 |
| Age: 20 - 29 | 1566 | 1554 | 3120 | 1215 | 1287 | 2502 | 1553 | 1434 | 2987 |
| Age: 30 - 39 | 1147 | 1292 | 2439 | 1101 | 1221 | 2322 | 1228 | 1207 | 2435 |
| Age: 40 - 49 | 868 | 1000 | 1868 | 834 | 908 | 1742 | 1053 | 1098 | 2151 |
| Age: 50 - 59 | 623 | 671 | 1294 | 589 | 623 | 1212 | 760 | 830 | 1590 |
| Age: 60 - 69 | 407 | 488 | 895 | 369 | 485 | 854 | 462 | 508 | 970 |
| 70+ | 249 | 396 | 645 | 212 | 350 | 562 | 241 | 382 | 623 |
| Total | 9416 | 10120 | 19536 | 7917 | 8458 | 16375 | 9225 | 9376 | 18601 |
| Source: Statistics SA | | | | | | | | | |

| Socio Economic Status | | | | | | |
|-----------------------|---|-------------------|---|--|---------------------|---------------------------------------|
| Year | Housing Backlog as proportion of current demand | Unemployment Rate | Proportion of Households with no Income | Proportion of Population in Low-skilled Employment | HIV/AIDS Prevalence | Illiterate people older than 14 years |
| 1996 | 0% | 24% | 0 | 0% | not available | not available |
| 2001 | 0% | 34% | 0% | 0% | not available | not available |
| 2011 | 0% | 29% | 0% | 0% | not available | not available |
| Source: Statistics SA | | | | | | |

Chapter 1



1.3. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Chapter 1

1.4. FINANCIAL HEALTH OVERVIEW

Financial Overview

The financial services department is headed by the Chief Financial Officer and comprises of the following divisions:

- Revenue Management
- Budget and Financial Reporting
- Assets Management
- Expenditure Management
- Supply Chain Management

Cognizance should be taken that the CFO posts was vacant for more than eight months during the year. The municipality is mainly reliant on intern capacity due to the fact that the finance department does not have sufficient permanent and skilled staff to render effective support services to other non-financial departments.

Revenue Management

Revenue Management Division is responsible to ensure that revenue budget for the five main and other services tariffs, namely:

| SERVICES | AMOUNT |
|-------------------------|------------|
| Assessment Rates | R6 002 212 |
| Electricity | R9 469 856 |
| Water | R8 701 172 |
| Sanitation and Sewerage | R2 785 652 |
| Refuse Removal | R2 785 652 |
| Other Service Charges | R 738 052 |

Chapter 1

Credit Control and Debt Management

Credit Control and Debt Management section is responsible for revenue collection as well as the management of indigents within the municipality. The municipality approved and subsidised 5 **817** indigents and the amount of **R 20 315 947** has been spent in respect of the free basic services.

Of the **R 20 315 947**, **R1.207 956** was for free basic electricity, **R19 056 579** was for water, sanitation, refuse, and rates and taxes. The balance thereof relates to support on pauper burial to destitute people.

Supply Chain Management

During the period under scrutiny, a total of 3 tenders were awarded to the value of **R 13 955 947.55**. From these tenders a total of 1 tender were awarded to locally based companies to the value of **R 5.1 million**. The following was awarded

- | | |
|---|--|
| - Upgrading of new Cemetery | - Approved Tender Amount - R 299 725.77 |
| - Supply of Material Victoria West and Richmond | - Approved Tender Amount - R5 192 318.00 |
| - Ubuntu Water Supply Loxton | - Approved Tender Amount - R8 463 903.78 |

Budget and Financial Reporting

The application of sound financial management principles for the compilation of the municipality's budget is essential and critical to ensure that the municipality remains financial viable and those sustainable municipal services are provided economically and equitably to all the citizenry.

The year under review, the total of **R 114 440 645** has been spent on operational approved budget, this includes non-cash items, representing **45% of** the total adjustments expenditure budget for the year. These non-cash items are items such as depreciation, debt impairment year end provision and municipal interdepartmental charges.

Cash flow management and forecasting is a crucial step in determining if the budget is funded over a Medium-Term Revenue and Expenditure Framework. Cash flow management consists of taking the necessary steps to maintain adequate levels of cash to meet the operational and capital requirements and to obtain the maximum yield on short-term investments. During the period under examination, the municipality closed the financial year with an overdraft bank balance of (**R 628 263**) as against the previous financial year of (**R 225 398**).

The Annual Financial Statements of the municipality have been prepared in accordance with Generally Recognised Accounting Principles. In terms of paragraph 63 of the Framework for the Preparation of Annual Financial Statements, the application of Generally Recognised Accounting Principles normally results in financial statements that convey what is generally understood as a fair presentation of such information.

Chapter 1

Expenditure Management

The municipality has efficiently and effectively through much effort managed to maintain the operational expenditure within the approved budget, meaning that the municipality did not exceed its approved budget, however, when we include the non-cash items, namely, depreciation, amortisation costs and debt impairment provision and other general bulk expenditure for the year, the municipality's expenditure exceeded the income by **R 166 427 214. (2014:160 826 796).**

The municipality closed its financial year at 30 June 2015 with a positive bank balance of **R 3 702 108**, after processing payments to our creditors of **R 222 846 405**. Again, what is worth mentioning is that the Capital Expenditure for the 2014/2015 is 100% spent, which is the same as the previous financial year.

FINANCIAL SUSTAINABILITY

The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

Financial Indicators

The debtors' impairment ratio increased to R45 477 419 compare to the previous year's R44 825 633. This is still considered to be very high

The municipality have budgeted for a deficit of R 1 214 674 for the 2013/2014 financial year. The municipality is also budgeting for negative cash flows during 2013/2014, 2014/2015 and 2015/2016 amounting to R 3 569 349, R 9 758 404 and R 9 164 619 respectively.

A bank overdraft facility is utilised amounting to R 1 400 000.

Other Indicators

Possible outflow of resources due the contingent liabilities disclosed in note 51 (see attached AFS)

Actions taken by Council

Council is continuously exploring avenues to increase the revenue base and improve the credit control measures of the municipality to address the negative indicators above and cash flow challenges.

These actions during 2014/2015 includes, but is not limited, to the following:

- Restructuring of its DBSA annuity loan to ensure the repayments are affordable.
- Recovering of municipal arrears through pre-paid system in areas where the municipality is supplying electricity to end-user.

Chapter 1

FINANCIAL OVERVIEW: 2014/15.

| Details | Actual 2014/2015 R`000 |
|----------------------------|---------------------------|
| -Grants | R 39 024 814.00 |
| -Taxes, Levies and tariffs | R 26 357 761.00 |
| - Other | R 150 392 140.00 |
| Income Sub Total | R 120 460 371 |
| Less Expenditure | |
| Surplus / (Deficit) | |

| Operating Ratios | |
|--------------------------------|---|
| Detail | % |
| Employee Cost | |
| Repairs & Maintenance | |
| Finance Charges & Depreciation | |
| T1.4.3 | |

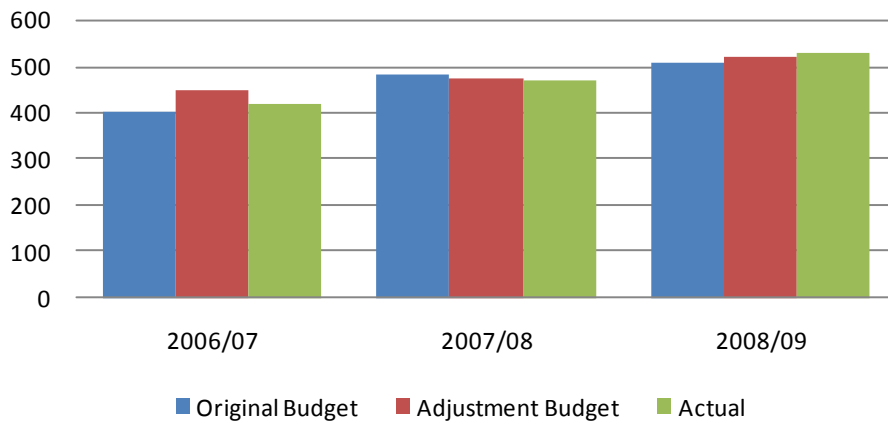
COMMENT ON OPERATING RATIOS:

Delete Directive note once comment is complete - Explain variances from expected norms: 'Employee Costs' expected to be less than 30% to total operating cost; 'Repairs and maintenance' 2%; Finance Charges and Depreciation 10%.

T1.4.3.

Chapter 1

Total Capital Expenditure



T1.4.5

1.5. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT 2014/2015

See Report attach

T 1.6.1

1.6. STATUTORY ANNUAL REPORT PROCESS

| No | Activity | Timeframe |
|----|---|-----------|
| 1 | Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period. | July |
| 2 | Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting). | |

Chapter 1

| | | |
|--------|--|---------------------|
| 3 | Finalise 4 th quarter Report for previous financial year | |
| 4 | Submit draft 14/15 Annual Report to Internal Audit and Auditor-General | |
| 5 | Municipal entities submit draft annual reports to MM | |
| 6 | Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant) | August |
| 8 | Mayor tables the unaudited Annual Report | |
| 9 | Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General. | |
| 10 | Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase | |
| 11 | Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data | September - October |
| 12 | Municipalities receive and start to address the Auditor General's comments | November |
| 13 | Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report | |
| 14 | Audited Annual Report is made public and representation is invited | |
| 15 | Oversight Committee assesses Annual Report | |
| 16 | Council adopts Oversight report | December |
| 17 | Oversight report is made public | |
| 18 | Oversight report is submitted to relevant provincial councils | |
| 19 | Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input. | January |
| T1.7.1 | | |

Chapter 2

CHAPTER 2.1 – GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Ubuntu Municipality have established the following committees to perform its powers and functions:

Financial Committee

This committee is responsible for Budget & Treasury, Asset and Risk Management, Contracts & Demand, Management, Expenditure Management, Supply Chain Management, Revenue Management, Information Technology Management

Technical Services Committee

This committee is responsible for Administration, Roads and Storm water, Water and Sanitation, Water and Sewerage, Purification, Technical Support, Operations & Planning, Distribution, Transport, Motor Workshop, Mechanical Workshop, Emergency Services Environmental Health Climate Change Unit Sustainable Energy and Responsibilities.

Corporate & Community Services Committee

This committee is responsible for Parks & Recreation, Traffic Services, Motor Registration & Licensing, Library Services, Personal Health, Social Developmental, Administration, Housing administration Communications, Employment Equity, Gender & Special and Programmes, Employee Relations, Risk Management, Human Resources, Office of Executive Mayor, Councillor Support, Committee Services, Local Economic Development and Town Planning.

Municipal Public Accounts Committee

This committee's responsibility is to examine the following:

Financial statements of all executive organs of Council Any audit reports issued on those statements.

Any reports issued by the Auditor General on the affairs of any municipal entity. Any other financial statements referred to the committee by Council.

The MPAC handle the annual report on behalf of Council and make recommendations to Council thereafter.

Report on any financial statements or reports to Council Initiate and develop the annual oversight report based on the annual report Initiate any investigation in its area of competence Perform any other function assigned to it by resolution of Council

Local Labour Forum

The functions of a LLF forum are to: –

Promote the interests of all workers (not only trade union members);

Enhance workplace efficiency;

Consult with the employer;

And take part in decision-making

Ubuntu Municipality acknowledges that there is a need for the following committees to be established in the following financial to enhance performance on its powers and functions:

Oversight Committee

The responsibility of this committee is to undertake a review and analysis of the Annual Report, invite, receive and consider inputs from Councillors and Portfolio Committees, on the Annual Report. Consider written comments received on the Annual Report from the public consultation process.

Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report. Receive and consider Councils' Audit Committee views and comments on the annual financial statements and the performance report. Preparation of the draft Oversight Report, taking into consideration, the views and inputs of the public, representative(s) of the Auditor General, organ of states, Councils' audit committee and Councillors.

Ward Committees

These committees' responsibilities are to serve as an official specialised participatory structure in the municipality,

To create formal unbiased communication channels as well as co-operative partnerships between the community and the council.

Advise and make recommendations to the ward councillor on matters and policy affecting the ward

Assist the ward councillor in identifying conditions, challenges and the needs of residents

Spread information in the ward concerning municipal affairs such as the budget, integrated development planning, service delivery options and municipal properties Receive queries and complaints from residents

concerning municipal service delivery, communicate it to council and provide feedback to the community on council's response

Ensure constructive and harmonious interaction between the municipality and community through the use and coordination of ward residents meetings and other community development forums

Interact with other forums and organizations on matters affecting the ward.

To serve as a mobilising agent for community action

Performance Audit Committee–

This committee is responsible to assist the Municipal council in the co-ordination of functions pertaining to its portfolio. Considering reports from the designated officials for the portfolio, or other functionary and submit its recommendation on such issues to council. Ensure the provision of an efficient and effective audit function, in accordance with the Auditor-General Act. Be constantly aware of the current areas of greatest financial risk and ensure that management are effectively managing the risk. To satisfy it that effective 'systems' of accounting and internal control are established and maintained to manage financial risk.

To satisfy itself as regards the 'integrity and prudence' of management control systems, including the review of policies and procedures, to ensure that the council is aware of any matters that might have a significant 'impact' on the financial conditions or affairs of the Municipality

Audit Committee–

The responsibilities of this committee are to advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality.

Review the annual financial statements to provide the Council with an authoritative and credible view of the financial position of the municipality

Respond to the Council on any issues raised by the Auditor-General in the audit report

Carry out such investigations into the financial affairs of the municipality ... as the Council of the Municipality may request.

Training Committee

These committees' responsibilities are to equip all employees with the necessary knowledge, skills and competencies to perform their work effectively, in pursuit of the vision and mission of Council as well as the employee's vision.

Enabling employees to deal effectively and pro-actively with change and to the challenges of dynamic work and external environment

Enables employees to acquire development orientated professionalism and the appropriate competencies.

Help employees to address issues of diversity whilst promoting a common organization culture so as to or in doing support unity at the workplace.

Assisting employees in developing a better understanding of the needs of the communities that they are serving, as well as the capability to respond to these needs

Creates an enabling environment for the training and development of present and future incumbents by creating a pool of suitably qualified individuals to be identified and developed in terms of a succession planning program

POLITICAL STRUCTURE

MAYOR/SPEAKER

**Mrs KJ Rigard was the Mayor as from 2011 until
March 2015.**

(Krisjan James Arens)



MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE

(Names)

**We don't have a mayoral committee. This is a
plenary system of council**

COUNCILLORS

New portfolio committees have been established as Section 80 Committees which was changed to Section 79 Committees to rendering assistance to the Executive Committee, as and when required.

Councilor Information:

Finance Committee

Cllr A Verwey. (Chairperson)

Cllr C Pieterse

Cllr A Verwey

Cllr KV De Bruyn

Cllr. SC Jordaan

Corporate Services Committees

Cllr. CC Jantjies (Chairperson)

Cllr. KJ Rigard

Cllr. SC Jordaan

Cllr. KV de Bruyn

Technical Committee

Cllr. C Pieterse (Chairperson)

Cllr. KJ Rigard

Cllr. BB Bruwer

Cllr. SC Jordaan

Mayor KJ Arens serves as ex-officio on all the above committees

| N O | Name | Position | Gender | Party | Chairperson | Committees |
|--------|-----------|-------------------|--------|-------|-------------|------------------------------------|
| 1 | KJ Arens | Mayor/ Speaker | Male | ANC | Council | Ex-officio on all committees |
| 2 | KJ Rigard | Councilor | Female | ANC | | Technical; |

| | | | | | | |
|---|-------------|-----------|--------|------|---------------------|---|
| | | | | | | Corporate |
| 3 | CJ Pieterse | Councilor | Male | ANC | Technical | Technical; Finance; Corporate; LLF |
| 4 | CC Jantjies | Councilor | Female | ANC | Corporate | Technical; Finance; Corporate; LLF |
| 5 | B Bruwer | Councilor | Male | DA | | Technical |
| 6 | SC Jordaan | Councilor | Female | DA | MPAC | Corporate; Finance |
| 7 | A Verwey | Councilor | Male | DA | Finance | Finance and Technical, LLF |
| 8 | KV de Bruyn | Councilor | Female | Cope | Sec 32 Committee | Finance and Technical |

POLITICAL DECISION-TAKING

All council resolution has been taken in General or Special council Meeting with a majority vote. Portfolio Committees make recommendations to General council meetings and endorse by the council. The Local Labour Forum consists of 10 members of which make up 5 members from Labour (IMATU & SAMWU) and 5 from Employers side. All agreement reach in the LLF is binding to both parties. LLF Minute becomes part of Council Agenda. (Councilors and Management) The administration implemented all council resolution after it has been condoned by council.

2.2 ADMINISTRATIVE GOVERNANCE

| | |
|-------|---|
| Photo | TOP ADMINISTRATIVE STRUCTURE TIER 1 MUNICIPAL MANAGER Functions Reporting directly to the council. Develop and management of an economical, effective efficient and |
|-------|---|

accountable administration. Manage of an administration in accordance with applicable legislation; Implementing the IDP and monitoring the implementation. Manage the provision of services in a sustainable manner. Appoint staff, promoting of sound labour relations and employment equity principles. Responsible and accountable for all income and expenditure, all assets and the discharge of all liabilities in compliance with MFMA and all relevant legislation and development of a staff establishment.

Martin Francois Fillis until March 2015.

Xolani Malgas from March 2015 until June 2015.

TIERS 2 AND 3

CHIEF FINANCIAL OFFICER

Responsible for all financial Management functions; Assets and liability Management; Revenue Management ; Expenditure management; Expenditure on staff benefits; Transferral of funds to organisations and bodies outside government; Budget preparations, Budget implementation, reports and reportable matter Protection of accounting officer.

Levona Cynthia Plaatjies until August 2014.

The municipality did not have a CFO from August 2014 to June 2015.

Director Corporate and Community Services

Hendri Jacobs was the Director Corporate Services until end April 2015 and Paula Jantjies acted till May 2015 and Ms Mkontwana acted until the end of the Financial year.

Responsible for the administration of all administrative, secretariat, by-laws, auxiliary and human resources activities and Library services to ensure the effective functioning of the administration. Responsible for the administration of all housing activities to ensure the effective functioning of the administration. Responsible for the record keeping of relevant data to ensure the capturing of all important and relevant information and compliance with all legal prescriptions. Responsible for the secretariat functions to ensure an effective and efficient secretariat service to the Council and its Committees. Manage and administer the issuing and control of all licenses and permits, contracts/agreements, renting, tenancy, leasehold, title deeds, purchase and selling of ground, sites, houses and other properties to render a proper administrative service regarding all legal issues. Manage all administrative and organisational processes and procedures regarding by-laws and the up keeping of the necessary registers in this regard to ensure that the municipality complies with relevant legislation and legal procedures. Assist with the administration of the following functional activities in order to assist the line management with the administrative processes, by:

- Assist with the necessary liaison with the public and community institutions and with the Integrated Development Plan (IDP) co-ordinating functions
- Assist the Head of Department with the Human Resources Management functions.
- Develop and implement a customer care program regarding the Corporate Services Department.
- Responsible for the compilation of the IDP, Performance Management System (PMS) and LED
- Responsible for the Community Development Workers (CDW); give guidance, report their activities
- Handle certain projects, for example: Library

Development Project, MSIG, Housing, LED and the project's finance and planning

- Compile a business plan for certain projects

Director Technical Services

Thembinkosi Headman Zingange

Run the Technical Division, planning, organising, directing and control of all the activities and staff of the division to ensure optimal Productivity at all times.

Responsible for the ordering of stocks and supplies and the transport and Issuing thereof.

Manage the commonage and emerging Farmer's projects.

Manage the Nature Reserves of the Municipality. Responsible for the operational function of the Water, Sanitation Refuse Removal Public works and Streets, Parks , electricity and Infrastructural project.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The relationship between the Municipality and the other sectoral departments is good. We have established a Local Communications forum which was use as an Intergovernmental Relations Forum. This structure has

become non functional due to the weak attendance of the meetings. There are service delivery programmed that we have done as a collective

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipal Manager has attended the National Municipal Manager Forum and some of SALGA's Meeting and Forums. Ubuntu Municipality attends most of the national meetings, seminars and workshop.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The official and councilors have attended different SALGA portfolio committee meetings during the year under review. The mayor has also attended the Premiers Intergovernmental Relations. The Chief Financial Officer is attending the CFO's Forum on a regular basis. The Municipal manager and CFO are also attending the provincial Minmec meetings on behalf of Ubuntu Municipality.

RELATIONSHIPS WITH MUNICIPAL ENTITIES

Ubuntu Municipality has no registered Municipal Entities

DISTRICT INTERGOVERNMENTAL STRUCTURES

Ubuntu Municipality has a sound relationship with the District Intergovernmental Relations Forum. The Mayor attends the IGR forum every quarter and the Manager. The mayor is also representing the Municipality on the District Health Forum. The Municipal Official attends different for a e.g. Finance, Energy, Water sector forums, LED District Forum, Communications forum etc.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Ubuntu Municipality have the following structures in place where we consult with the different stakeholders and the public:

IDP Representative Forum

Budget consultation Forum

Ward Committees

Meetings with Ratepayers Association and Commercial Farmers

Ward Meetings

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The Municipality has organized several community participation processes for council as regulated by different pieces of legislation. The following processes were conducted during the year:

IDP Representative Forum meeting –6

Budget consultation meeting –6

Community meetings – 3 per ward

Ward committees Meetings 0

The mediums that we have used to consult are by the newspapers, invitation letters, and flyers pamphlets and by loud hailing.

WARD COMMITTEES

The Municipality did established ward committees but collapsed due to non-functionality. The municipality was faced with challenges with some of the member that became dysfunctional. Some the member lost commitment during the year. Some of them left the Municipal area to seek job opportunities.

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The public Meetings are not held regularly by some wards councilors, however some do hold meetings at least quarterly. Council needs to strengthen the relationship with the communities in order to have an effective engagement with communities. We are also struggling to get the buy in of other sectorial departments within Ubuntu Municipality to engage with the community regarding the services they are rendering to the public. Political intolerance is still a huge problem in the Municipality. Politicizing of Community Meeting is huge challenge. We are also struggling with weak attendance of Community meetings.

2.5 IDP PARTICIPATION AND ALIGNMENT

| IDP Participation and Alignment Criteria* | Yes/No |
|--|--------|
| Does the municipality have impact, outcome, input, output indicators? | Yes |
| Does the IDP have priorities, objectives, KPIs, development strategies? | Yes |
| Does the IDP have multi-year targets? | Yes |
| Are the above aligned and can they calculate into a score? | Yes |
| Does the budget align directly to the KPIs in the strategic plan? | Yes |
| Do the IDP KPIs align to the Section 57 Managers | Yes |
| Do the IDP KPIs lead to functional area KPIs as per the SDBIP? | Yes |
| Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes | Yes |
| Were the indicators communicated to the public? | Yes |
| Were the four quarter aligned reports submitted within stipulated time frames? | Yes |
| * Section 26 Municipal Systems Act 2000 | |

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The corporate overview of the Municipality is to improve the daily activities of the Municipality and to give support to sectoral departments on national and provincial level and other internal departments of Ubuntu Municipality through:

Effective and efficient quality service delivery

To improve the relationship between the council and the community

Having a two way approach to communication and service

To inform the community on council's activities

To get feedback on council's decision and resolutions

2.6 RISK MANAGEMENT

RISK MANAGEMENT

The Directors of the Municipality has the responsibility to be the Risk Managers for their respective departments. There were risks identified in the Audit Report 2014/2015 by the AG although the risk register was not compiled. The Shared Services of the District execute the role of the internal auditing and the Audit committee was not in place.

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Ubuntu Municipality has an Anti Corruption and Prevention Policy in place. We do not have a dedicate hotline in place. But the community is encouraged to report any corruption or fraud to the Municipal Manager or Mayor, the SAPS, The Premiers office, National Prosecuting Authority, The Public Protector, councilors and the Presidential hotline. We did have a case of financial misconduct, fraud or corruption reported for the financial year under review. All disciplinary misconduct by official have been report and prosecuted and also opened a case to the Police and the case is being investigated by the HAWKS.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Ubuntu Municipality has an approved Supply Chain Management Policy in place. All SCM committees have been established and properly trained. All necessary procedures were followed to award tenders. The following tenders were awarded during the year under review:

2.9 BY-LAWS

COMMENT ON BY-LAWS:

No new bylaws have been developed or reviewed during the year under review

2.10 WEBSITES

| Municipal Website : Content and Currency of Material | | |
|---|----------|-----------------|
| Documents published on the Municipality's / Entity's Website | Yes / No | Publishing Date |
| Current annual and adjustments budgets and all budget-related documents | Yes | |
| All current budget-related policies | Yes | |
| The previous annual report (Year 0) | No | |
| The annual report (Year 1) published/to be published | - | |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 1) and resulting scorecards | Yes | |
| All service delivery agreements (Year 1) | Yes | |
| All long-term borrowing contracts (Year 1) | Yes | |
| All supply chain management contracts above a prescribed value (give value) for Year 1 | Yes | |
| An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1 | Yes | |
| Contracts agreed in Year 1 to which subsection (1) of section 33 apply, subject to subsection (3) of that section | No | |
| Public-private partnership agreements referred to in section 120 made in Year 1 | No | |
| All quarterly reports tabled in the council in terms of section 52 (d) during Year 1 | Yes | |

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

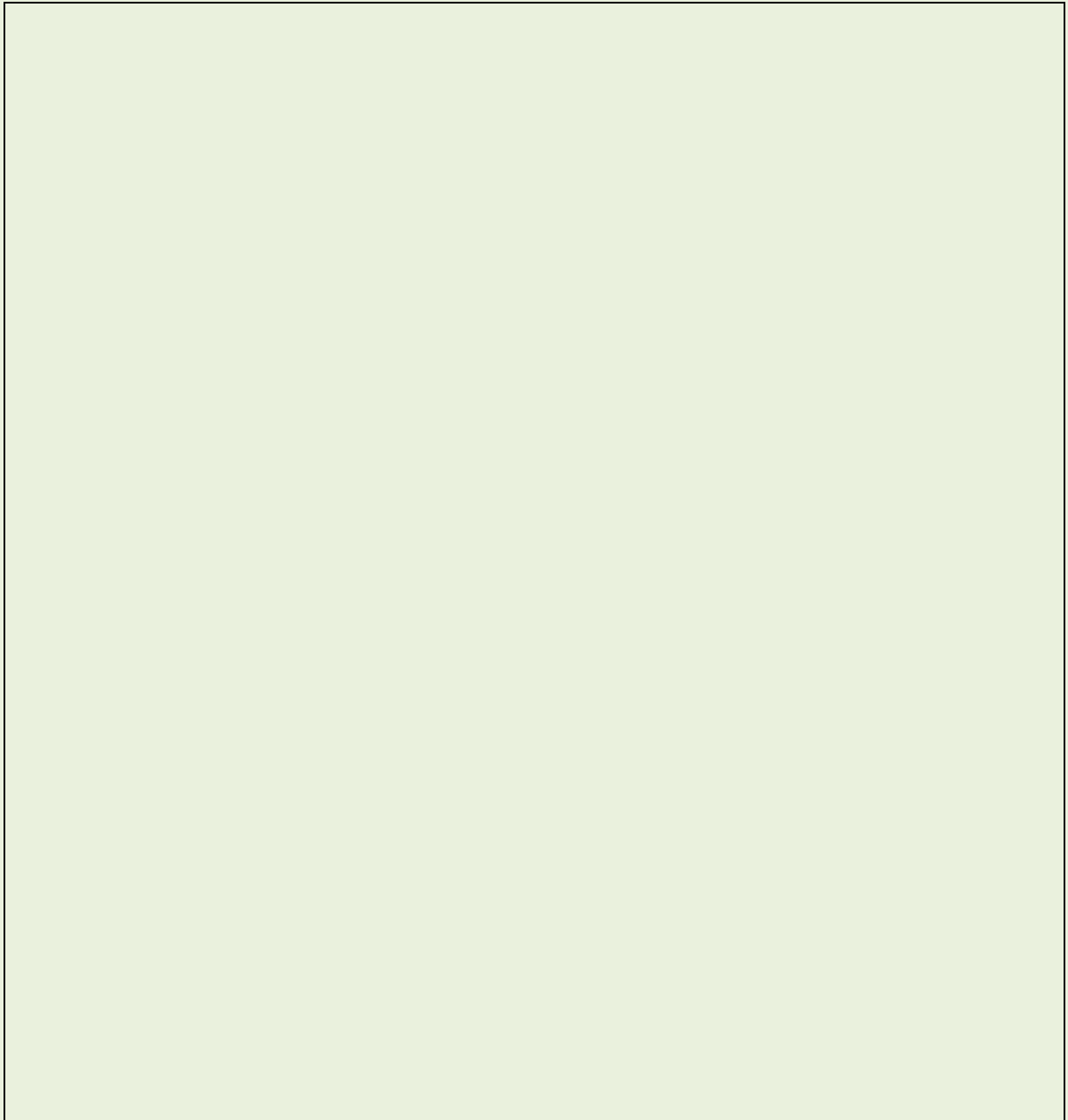
We have a fully functional website in place. The municipality don't have a fulltime IT Manager in place to deal with the day to day running and maintaining of the Website. We make use of a service provider to update the website on a regular basis. From time to time the administration have tried very hard to load the necessary document as required by legislation on the website.

T2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES**PUBLIC SATISFCATION LEVELS**

Ubuntu Municipality delivery basic services as follows:

Electricity has been supplied by the municipality on a daily basis to the community. Interruption due to maintenance or Eskom of this service is not longer than 12 hours. The Municipality has a once a week frequency of refusal collection in the community and 3 times a week from business. Night Soil services (bucket system) are collected in a frequency of 2 times a week in the informal settlements services and subserviced settlement. Sanitation from people with drains has been suck as per order placed. Water has been provided on a daily basis. Any interruption due to maintenance or defaults was solved within 8 hours. The administration responds to the public by mean of letters to acknowledge your correspondence with in 48 hour or seven days. Other letters that need the attention of council get their response after the next council meeting. The Municipality tried by all means to satisfy the public with basic service delivery issues. A complaint register is in place at all office, where the public can register complains and comments on the delivery of services. Complains received are been dealt with in 48 hours. The public also lodge their complaints in public meeting. Answer has given to them in the meeting at our offices. No formal survey was to check on the satisfaction. We intend to do surveys in the future



COMPONENT A: BASIC SERVICES

DEPARTMENT TECHNICAL SERVICES

INTRODUCTIONEXECUTIVE SUMMARY1.1 SERVICE DELIVERY OVERVIEW1.1.1 BASIC SERVICE DELIVERY CHALLENGES

| Challenges | Actions |
|------------------------------------|--|
| High unemployment rate and poverty | Implementation of ward based infrastructure projects and other job creation initiatives |
| Housing needs | 100 Houses built |
| Limited Municipal resources | Effective budgeting and financial planning |
| Replacing of ageing infrastructure | Funding for replacing of Ageing Infrastructure was submitted to Department of Water and Sanitation under the A C I P initiative. |

Table 1: Basic service delivery challenges

1.1.2 PROPORTION OF HOUSEHOLDS

| KPA & Indicator | Municipal Achievements |
|---|------------------------|
| | 2014/15 |
| Electricity service connections | 100% |
| Water – available within 200m from dwelling | 100% |
| Sanitation – households with at least Bucket system services | 100% |
| Waste collection – kerbside collection once a week / frequently | 100% |

Table 2: Households with minimum level of basic services

ELECTRICITY

| Highlights | Description |
|------------|-------------|
|------------|-------------|

Network still holding on at no municipal faults and unplanned outages reported.

There were no unplanned outages from the Municipal side beside the Eskom Load shedding outages.

Electricity Highlights

| Challenges | Action to address |
|---|--|
| OUTDATED TRANSFORMERS AND PREPAID METERING UNITS. | High – Contributes to large quantity of losses – Outsourcing of funds and Installation of New transformers and advance prepaid metering device |

Electricity Challenges

SERVICE DELIVERY PERFORMANCE

COMPONENT A: BASIC SERVICES

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

1. WATER PROVISION

Water is the main service task of this department and we make sure that we provide clean and fresh water to all residents or users as prescribed by SANS 241 (2011), and we make sure that water is been tested every second week of a month. Ubuntu municipality is totally dependent on ground water (boreholes), the effective and sustainable management thereof in order to provide a cost effective water supply is of the greatest importance to the Municipality. Ubuntu municipality still purchases 70% of water from a farm 10km from Victoria West (Conroy farm – Biesiespoort) and the municipality is also responsible for the maintenance of pumps installed at the municipal owned sources and reservoirs. Test results are available at the Municipality on a monthly basis

The Water Conservation and Water Demand Management (WCWDM) strategies are aimed at limiting water losses in order to keep the cost of water at affordable levels. An on-site water loss, over which the Municipality has no control, poses a major challenge and will receive attention in future. The water losses in the past year were 22.94% compared to 10.48% in the previous year. A free basic water service is also provided to poorer members of the Ubuntu municipality population. The first 6 kℓ of water per month and the first 4, 2 kℓ of sewage conveyance and treatment per month are provided free of charge to all consumers.

All queries / disruption are attended to and repaired accordingly within 8 hours on daily basis out of the O & M budget. Water purification is on track and we proud to announce that our Municipality was the only one getting blue drop status in the Northern Cape Province in terms of compliance. In 2014/15, the municipality achieved an overall municipal Blue Drop score of 82.37%.The Ubuntu Municipality continues to achieve and deliver high-quality water through effective management of the whole value chain of the water supply system, which includes raw water sources operations, maintenance, and quality testing in accordance with SANS 241.

Challenges: Water Services

| Description | Action to address |
|--|---|
| Improving the portable water quality “Blue drop” standards | To improve its capacity to conduct a variety of biological, physical and chemical tests of potable water and wastewater by investing in new testing equipment with advanced technology. |

| | |
|-----------------------------------|---|
| On site water losses | Water conservation and Water Demand Management (WCWDM) project – the need to put in place a policy to install water management devices on prioritised basis, for residences defined as indigent to have the means by which to prevent their water consumption from reaching unaffordable levels |
| Old / dilapidating infrastructure | Outsourcing of funds for the replacement of old asbestos pipes for PVC pipes |

Water service challenges

| Total Use Of Water By Sector | | | | |
|------------------------------|-----------------------|----------|---------------------|----------------------------|
| Year | Business & Industrial | Churches | Domestic Households | Unaccountable water Losses |
| 2014/15 | 173 774 | 25 | 537 738 | 388 |

Service delivery levels: Water Services

- Service Delivery Level: Water Service

| Water Service Delivery Levels | | |
|---|----------|----------|
| Households | | |
| Description | 2013/14 | 2014/15 |
| | Actual | Actual |
| | No. | No. |
| Water: (above min level) | | |
| Piped water inside dwelling | 50 | 50 |
| Piped water inside yard (but not in dwelling) | 306 | 0 |
| Public tap (within 200m from dwelling) | 8 | - |
| Other water supply (within 200m) | 0 | 0 |
| Minimum Service Level and Above sub-total | - | - |
| Minimum Service Level and Above -Percentage | 100 | 100 |
| Water: (below min level) | | |
| Using public tap (more than 200m from dwelling) | 0 | 0 |
| Other water supply (more than 200m from dwelling) | 0 | 0 |
| No water supply | 0 | 0 |
| Below Minimum Service Level sub-total | 0 | 0 |
| Below Minimum Service Level Percentage | 0 | 0 |

| | | |
|------------------------------|-----|-----|
| Total number of households | 456 | 150 |
| Include informal settlements | | |

Water service delivery levels: Households

| Access to Water | | | |
|--|--|---|--|
| Financial year | Number/Proportion of households with access to water points* | Proportion of households with access to piped water | Number /Proportion of households receiving 6 kl free |
| 2013/14 | 306 | 306 | 1808 |
| 2014/15 | 270 | 290 | 1841 |
| * Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10litres per minute # 6,000 litres of potable water supplied per formal connection per month Access to water | | | |

▪ Service Delivery Indicators

| Ref | KPI | Unit of Measurement | Wards | Previous Year Performance | 2014/15 Annual Performance |
|-----|--|--|-----------|---------------------------|----------------------------|
| | Implement the Water Conservation and Water Demand Management | Water quality, quantity and water losses | 1,2,3 & 4 | 72.6% | 82.37% |
| | Maintain water assets with the approved maintenance budget | % expenditure | 1,2,3 & 4 | 100% | 100% |
| | Limit unaccounted water | % of water unaccounted for | 1,2,3 & 4 | 10.48% | 22.94% |
| | Water quality as per blue drop | % water quality level | 1,2,3 & 4 | 72.6% | 82.37% |
| | Households with piped water inside dwelling | Number of households | 1,2,3 & 4 | 50 | 50 |
| | Households with piped water inside yard | Number of households | 1,2,3 & 4 | 100 | - |
| | Households using public tap | Number of households | 1,2,3 & 4 | 896 | 896 |
| | Provide households with new water connections | Number of households | 1,2,3 & 4 | - | - |

Service delivery indicators: Water services

Operational Budget: Water Services

| Operational Expenditure 2014/15: Water Services | | | | |
|---|--------------|--------------------|----------------|----------------|
| Description | 2014/15 | | | |
| | Budget | Actual Expenditure | Budget 2015/16 | Budget 2016/17 |
| Personal Expenditure | 1 056 721.00 | 1 186 626.00 | 1 130 901.00 | 1 204 553.00 |
| General Expenditure | 2 142 157.00 | 2 469 304.00 | 2 199 474.00 | 2 316 632.00 |
| Bulk Purchases | 596 325.00 | 609 069.00 | 632 105.00 | 670 031.00 |
| Maintenance and Repairs | 185 000.000 | 204 912.00 | 195 000.00 | 180 000.00 |

2. WASTE WATER (SANITATION) PROVISION

• Introduction to Sanitation Provision

Various types of sanitation are currently provided: full waterborne sewerage, flushing toilets with vacuum tanks and buckets. The biggest challenge currently is the upgrading of the (buckets) to full waterborne sewerage. Business plans for funding have already been submitted but approval is still awaited.

The municipality installed water and sewer bulk services on 270 plots, funds to initiate the project came from the coffers of the council. Night soil services are provided frequently and accordingly to households with bucket system

The municipality has a fully operating team for cleaning and maintaining the block drains and are attended accordingly. On site drain blockages which possess health risks are cleared free of charge for the indigent households.

Challenges: Waste Water (Sanitation) Provision

| Description | Action to address |
|--|---|
| The municipality has still a huge backlog of bucket system eradication in the new developed sites. | Submit an Application for additional funding from other spheres of government |

Waste Water (Sanitation) Provision Challenges

Services Delivery levels: Sanitation

| Sanitation Service Delivery Levels | | |
|---|---------|---------|
| Households | | |
| Description | 2014/15 | 2014/15 |
| | Outcome | Actual |
| | No. | No. |
| Sanitation/sewerage: (above minimum level) | | |
| Flush toilet (connected to sewerage) | 50 | 50 |
| Flush toilet (with septic tank) | - | 20 |
| Chemical to | - | - |

| | | |
|--|------------|------------|
| Pit toilet (ventilated) | - | - |
| Other toilet provisions (above min. service level) | - | - |
| Minimum Service Level and Above sub-total | - | - |
| Minimum Service Level and Above Percentage | | |
| Sanitation/sewerage: (below minimum level) | | |
| Bucket toilet | 896 | 235 |
| Other toilet provisions (below min. service level) | - | - |
| No toilet provisions | - | - |
| Below Minimum Service Level sub-total | - | - |
| Below Minimum Service Level Percentage | - | - |
| Total households | 946 | 305 |
| Include informal settlements | | |

Sanitation service delivery levels

Service Delivery Indicators

| R e f | KPI | Unit of Measurement | War ds | Previous Year Performance | Overall Performance for 2014/15 | | |
|-------------|---|--|-----------|------------------------------|------------------------------------|--------|---|
| | | | | | Target | Actual | R |
| | Maintain sanitation assets | % of maintenance budget of sanitation spent | All | 100% | 100% | 100% | G |
| | Quality of waste water discharge measured in terms of Green Drop | % water quality level of waste water discharge | All | 21% | 25% | 24% | R |
| | Households with flush toilet connected to sewerage distribution network | Number of households | All | 70 | 220 | 50 | R |
| | Households with flush toilet with septic tank | Number of households | All | 20 | - | - | R |
| | Households with bucket toilet | Number of households | All | | 896 | 896 | R |
| | Households provided with new sanitation connections | Number of households | All | | 50 | 50 | R |

Service delivery indicators: Waste Water (Sanitation) Provision

▪ **Operational Budget: Wastewater Services**

| Operational Expenditure 2014/15: Waste Water Services | | | | |
|--|---------------------|---------------------|---------------------|--------------------|
| Description | 2014/15 | | | |
| | Budget 2014/15 | Actual Expenditure | Budget 2015/16 | Budget 2016/17 |
| Personal Expenditure | 2 253 447.00 | 3 495 188.00 | 2 581 966.00 | 2742 142.00 |

| | | | | |
|--------------------------------|--------------------|---------------------|----------------------|---------------------|
| General Expenditure | 1720 500.00 | 1 183 819.00 | 1 800 3000.00 | 1 889 248.00 |
| Maintenance and Repairs | 158 000.00 | 215 560.00 | 170 000.00 | 180 000.00 |

3. Electricity

▪ Introduction to Electricity

Local Government plays a very important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support. The Ubuntu Local Municipality is the service authority for the whole of Ubuntu Municipality region, and the service providers are both the Ubuntu Municipality's Electricity Services Department and Eskom. As the service authority, the Municipality is responsible for the following services:

- Reticulation, Free basic electricity, Public lighting and Energy policies

The Ubuntu Municipality supply of area is divided into two distribution or service areas, each district is responsible for the maintenance and safe operation of the electricity services network as well as new customer connections in its area.

The Energy Losses for the 2013/14 financial year was **23.83%** whilst the losses in the 2014/2015 financial year were only **22.88%**.

Service backlogs

Electricity service availability and access backlogs are primarily a problem in informal settlements, and these are currently being addressed by the Electricity Services Department and Eskom's electrification programmes. Ubuntu municipality is still having a backlog of electrifying the 896 informal Households in the municipal area of supply. The Municipality is committed to working closely with the national power provider to ensure the successful completion of electrification programmes.

A focus on customer service

Ubuntu municipality has a book to which residents' electricity fault and power outage complaints are now directed. The "Minimum Standards and Reporting Lines for the Quality of Service of Electricity Supply to Customers" were published as a standard document, namely the NRS 047 Part 1 and Part 2. These specifications cover a number of services, including customer-driven complaints and enquiries. The standard response times and satisfaction indices for counter services, telephonic replies and written replies are stipulated in these documents.

▪ Highlights: Electricity

| Highlights | Description |
|--|--|
| Ubuntu Electrification of the New Developed Area | Implementation of Ubuntu Electrification of 226 Households in Victoria West and Merriman |

Electricity service Highlights

▪ Challenges: Electricity

| Description | Action to address |
|-------------|-------------------|
|-------------|-------------------|

| | |
|---|--|
| OUTDATED TRANSFORMERS AND PREPAID METERING UNITS. | High – Contributes to large quantity of losses – Outsourcing of funds and Installation of New transformers and advance prepaid metering device |
| NON-IMPLEMENTATION OF CREDIT CONTROL POLICIES | Credit control policies should be implemented in order the municipality to generate revenue to sustain the organization |
| Eskom area of supply | Council needs to initiate a process to ascertain the possibility of taking over ESKOM area of supply in order to have uniform system in place to tackle the challenges of supply and revenue collection. |

Electricity service challenges

**Service Delivery Levels: Electricity
Electricity Service Delivery Levels**

| Households | | |
|--|-------------|------------|
| Description | 2013/14 | 2014/15 |
| | Actual | Actual |
| | No. | No. |
| Energy: (above minimum level) | | |
| Electricity (at least min. service level) | 423 | - |
| Electricity - prepaid (min. service level) | 1879 | 226 |
| Minimum Service Level and Above sub-total | - | - |
| Minimum Service Level and Above Percentage | 100 | 100 |
| Energy: (below minimum level) | | |
| Electricity (< min. service level) | - | - |
| Electricity - prepaid (< min. service level) | - | - |
| Other energy sources | - | - |
| Below Minimum Service Level sub-total | - | - |
| Below Minimum Service Level Percentage | - | - |
| Total number of households | 2302 | 226 |

Electricity service delivery levels

Service Delivery Indicators

| Ref | KPI | Unit of Measurement | Wards | Previous Year Performance | Overall Performance for 2014/15 | | |
|-----|--|----------------------------------|-------|---|---------------------------------|--------|---|
| | | | | | Target | Actual | R |
| | Manage the electrical provisioning system to limit losses | % of electricity Unaccounted for | All | 23.83% | 22% | 22.8% | G |
| | Develop a Electrical bulk Upgrading master plan | % completed | All | 60% completed and was not submitted to the department due to internal engagements with the department | 100% | 80% | G |
| | Percentage of Households with at least minimum service level electricity | % completed | All | 100% | 100 | 100 | G |

| | | | | | | | |
|--|--|--------------------------|-----|--|------|-----|---|
| | Replace streetlight bulbs within 10 working days after reporting | % within 10 working days | All | | 100% | 40% | R |
|--|--|--------------------------|-----|--|------|-----|---|

Service delivery indicators: Electricity

▪ Capital: Electricity

| Capital Expenditure 2014/15: Electrical Services | | | | | |
|---|---------|-------------------|--------------------|------------------------------|---------------------|
| R'000 | | | | | |
| Capital Projects | 2014/15 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from Original budge | Total Project Value |
| 2013 - Ubuntu Electrification of Households (206) | 2600 | 2600 | 2600 | - | 2600 |
| 2014 – Ubuntu Bulk Network Upgrades | 1500 | 1500 | 1500 | | 1500 |

Capital Expenditure 2014/15: Electricity Services

BOTH PROJECTS WERE NOT COMPLETED AS PER IMPLEMENTATION PLAN

▪ Operational Budget: Electricity Services

| Operational Expenditure 2014/15: Electricity Services | | | | |
|---|---------------|--------------------|----------------|----------------|
| Description | 2014/15 | | | |
| | Budget | Actual Expenditure | Budget 2015/16 | Budget 2016/17 |
| <i>Personal Expenditure</i> | 1 302 925.00 | 807 821.00 | 1 164 942.00 | 1 241 238.00 |
| <i>General Expenditure</i> | 1 590 968.00 | 1 637 992.00 | 1 604 711.10 | 1 701 776.00 |
| <i>Bulk Purchases</i> | 10 118 787.00 | 12 947 633.00 | 10 827 102.00 | 11 476 728.00 |
| <i>Maintenance and Repairs</i> | 155 000.00 | 393 207.00 | 158 000.00 | 166 180.00 |
| TOTAL | | | | |

Operation Expenditure: Electricity services

4. WASTE MANAGEMENT (REFUSE COLLECTION)

▪ Introduction to Waste Management

Domestic refuse is currently removed on a weekly basis in all residential areas of Ubuntu. Various areas have street cleaners who clear the littering on a daily basis. The municipality has built dumping points (Refusal Bins) in the community to

address the garden rubbish challenges. Informal dumping (littering) remains a major challenge but all areas are regularly cleaned up.

The municipality has a long-term vision to integrate waste management services in such a way that they do not only provide in basic needs, but also augment economic activity, and minimise the effects of waste on human and environmental health. To achieve this vision, the municipality needs a lot of national support and development, particularly given that waste minimisation and recycling activities.

Highlights: Waste Management

| Highlights | Description |
|---|---|
| Registration and licensing of Victoria West and Loxton Landfill sites | Landfill site in Victoria West Record of decision was awarded and Loxton progress is 90% completed. |

Waste Management services Highlights

Challenges: Waste Management

| Description | Action to address |
|--|---|
| Although the municipality tries to prevent illegal dumping by providing facilities around the towns for the disposal of waste the dumping of waste on public or private properties still occurs. | Temporary workers used to clean –up residential areas on a regular basis. |

Waste Management Challenges

Service Delivery Levels: Solid Waste

| Solid Waste Service Delivery Levels | | |
|---|------------|------------|
| Description | Households | |
| | 2014/15 | 2014/15 |
| | Actual | Actual |
| | No. | No. |
| Solid Waste Removal: (Minimum level) | | |
| Removed at least once a week | 5 129 | 5 129 |
| Minimum Service Level and Above sub-total | 5 129 | 5 129 |
| Minimum Service Level and Above percentage | 100 | 100 |
| Solid Waste Removal: (Below minimum level) | | |
| Removed less frequently than once a week | 0 | 0 |
| Using communal refuse dump | 0 | 0 |
| Using own refuse dump | 0 | 0 |
| Other rubbish disposal | 0 | 0 |
| No rubbish disposal | 0 | 0 |
| Below Minimum Service Level sub-total | 0 | 0 |
| Below Minimum Service Level percentage | 0 | 0 |
| Total number of households | 5 129 | 5 129 |

Solid Waste Service Delivery Levels

Service Delivery Indicators

| Ref | KPI | Unit of Measurement | Wards | Previous Year Performance | Overall Performance for 2014/15 | | |
|-----|--------------|---------------------|-------|---------------------------|---------------------------------|--------|----------|
| | | | | | Target | Actual | R |
| | Remove waste | % | | 5129 households | | | G |

| | | | | | | | |
|--|---|-----------------------------|-----|---|------|------|----------|
| | weekly as per schedules | implementation of schedules | All | as per planned municipal schedule and frequency | 100% | 100% | |
| | Households with refuse removed at least once a week | Number of households | All | 5 129 | 100% | 100% | G |

Service delivery indicators: Solid waste management

Operation expenditure: Solid Waste Services

| Operational Expenditure 2014/15: Solid Water Services | | | | |
|---|--------------|----------------------------|----------------|----------------|
| Description | 2014/15 | | | |
| | Budget | Actual Expenditure 2014/15 | Budget 2015/16 | Budget 2016/17 |
| <i>Personal Expenditure</i> | 1 056 721.00 | 1 186 626.00 | 1 130 901.00 | 1 204 553.00 |
| <i>General Expenditure</i> | 2 142 157 | 2 469 304.00 | 2 199 474.00 | 2 316 632.00 |
| <i>Maintenance and Repairs</i> | 185 000.00 | 20 912.00 | 195 000.00 | 180 000.00 |
| TOTAL | | | | |

5. HOUSING

▪ Introduction to Housing

The municipality follows an integrated approach to housing delivery to ensure social cohesion and a living environment that not only provides living space, but also all other required amenities. These facilities are also subject to ongoing maintenance to support and promote healthy lifestyles, but are not limited to residential areas. Ubuntu Municipality's Housing Division seeks to effectively address their housing need. This forms part of an ongoing strategy to provide an effective service delivery model for housing within the Ubuntu Municipal area.

During the period under review, the municipality delivered 100% of its targeted housing allocation for the year. This was achieved despite various challenges, including resistance from within communities, which caused delays or even the discontinuation of projects. To address these challenges, the municipality strives to keep the channels of communication open with these communities, and to promote ongoing dialogue on current and future housing initiatives.

Housing need:

The need for an integrated residential development approach that addresses the whole spectrum of residential needs has been identified and the following main income categories have been considered:

- Subsidy housing >R3 500 per
- Gap housing-R3 500-R15 000 per month

Given the strategic decision to focus in the first instance on subsidy and Gap housing, the needs can be summarized as follows:

- **Prioritised housing sites**

| Site | Property | Units |
|----------------------------|----------|------------|
| Subsidy: Priority 1 | | |
| Victoria West 270 | IRDP | 270 |
| Subsidy: Priority 2 | | |
| Loxton 51 | IRDP | 51 |
| Subsidy Grand Total | | 341 |

Prioritised housing sites

▪ **Highlights: Housing**

| Highlights | Description |
|--------------------------------------|--|
| Phase 1- 2 (Victoria West 270) | Construction of 100 BNG houses in Victoria West |
| Town planning in Ubuntu Municipality | Completion of 900 Units in Victoria West, 600Units in Richmond and 150 Units in Loxton |

Housing Highlights

▪ **Challenges: Housing**

| Description | Actions to address |
|-----------------------------|--|
| Unskilled Labour | NHBRC to give training |
| SMME Development in Housing | Assist emerging contractors & local brick makers |
| Housing Allocation | The Department is allocating limited housing allocation which is less than the current housing backlog |

Housing Challenges

The following table shows the increase in the number of people on the housing waiting list.

| Financial year | Number of housing units on waiting list | Number Housing waiting list increase/(decrease) |
|----------------|---|---|
| 2014/15 | 3999 | 50 |

Housing waiting list

A summary of houses built, includes:

| Financial year | Allocation | Amount spent | % spent | Number of houses built | Number of sites serviced |
|----------------|------------|--------------|---------|------------------------|--------------------------|
| | R'000 | R'000 | | | |
| 2014/15 | 4 266 | 4 107 | 96 | 50 | 270 |

Houses built in 2014/15

Delivery Indicators Service

| Ref | KPI | Unit of Measurement | Wards | Previous Year Performance | Overall Performance for 2014/15 | | |
|-----|--|--------------------------|-------|---|---------------------------------|--------|---|
| | | | | | Target | Actual | R |
| | Provide services for new housing sites | Number of serviced sites | | New performance indicator For 2013/14. No comparatives available | 896 | 396 | R |

Service delivery indicators: Housing

6. Roads and Storm water

Introduction to Roads

Transport systems are essential to the functioning of smooth-running municipalities and as critical facilitator of the mobility access is needed to support a healthy economy. Mobility in Ubuntu Municipality takes various forms, including walking, cycling, private car, commuter bus, mini-bus taxi as well as other options since the municipality is situated across the N12 and N1, both in Victoria West and Richmond. At present 75% of all municipal streets are still gravel roads which cause a great deal of inconvenience following rain and strong dust season.

Highlights: Roads

| Highlights | Description |
|---------------------------|---|
| Road maintenance | Road maintenance |
| Upgrading of gravel roads | Upgrading of gravel access roads to sealed tarred roads |

Roads Highlights

Challenges: Roads

| Description | Actions to address |
|--|---|
| At present 75% of all roads are still gravel roads and major problems are experienced with dust and storm water problems. | Application for additional funding from other spheres of government |
| The tarred roads are in urgent need of resealing and problems are experienced with potholes especially after rain. During the past year potholes were repair on a regular basis. | |

Roads Challenges

Operation expenditure: Road and Storm-water Services

| Operational Expenditure 2014/15: Roads and Storm-water Services | | | | |
|---|--------------|----------------------------|----------------|----------------|
| Description | 2014/15 | | | |
| | Budget | Actual Expenditure 2014/15 | Budget 2015/16 | Budget 2016/17 |
| <i>Personal Expenditure</i> | 722 165.00 | 245 170.00 | 782 965.00 | 837 158.00 |
| <i>General Expenditure</i> | 2 804 173.00 | 2 326 276.00 | 2 809 173.00 | 2 979 423.00 |
| <i>Maintenance and Repairs</i> | 375 000.00 | 31 001.00 | 375 000.00 | 390 000.00 |

Operation Expenditure 2014/15: Roads and Storm-water

MUNICIPAL INFRASTRUCTURE GRANTS / CAPITAL PROJECTS

Allocation of Previous years and outer MTREF

| DESCRIPTION | 2014/15 | 2015 /16 | 2016/17 (Indicative) | 2017/18 (indicative) |
|------------------------|-------------|-------------|----------------------|----------------------|
| Approved budget amount | R 9 655 000 | R 9 790 000 | R 9 996 000 | R 10 306 000 |

| | | | | |
|---------------------|----------------|--|--|--|
| Spent budget amount | R 9 655 000.00 | | | |
| Difference | R 0.00 | | | |

PROPOSED MUNICIPAL INFRASTRUCTURE GRANTS 2014/15

- Herewith is the state of the proposed project readiness regarding all approved and unregistered projects in this financial year 2014/15

| PROJECT NAME | STATUS | APPROVED BUDGET | M I G FUNDING | PROJECT COST |
|--|------------|-----------------|-----------------|-----------------------|
| Ubuntu Upgrading of Streets | Registered | R 50 892 051.02 | R 50 892 051.02 | R 3 791 237.18 |
| Installation of High Masts Lights (Ext 11) | Submitted | R - | R - | R 1 600 000.00 |
| Loxton Bulk External water supply | Registered | R 8 463 903.78 | R 7 424 657.00 | R 4 263 762.82 |
| TOTAL | | | | R 9 655 000.00 |

THE PROPOSED PROJECTS DID NOT MATERIALISE DUE TO TECHNICAL PROJECT REGISTRATION ISSUES.

The municipality has **Roads Master Plan** which is registered with M I G ready for implementation in the current financial year. The municipality couldn't spend the allocation with the registered projects, due to the critical water crisis which should be addressed urgently

▪ **REMEDIAL IMPLEMENTATION PLAN**

| PROJECT NAME | Status | Planned date for appointment of consultant | PROJECT COST | March 15 | April 15 | May 15 | June 15 | July 15 |
|---------------------------------|--------|--|----------------|--------------------|--------------------|--------------------|------------------|-----------------------|
| Geo-Hydro (Phase 2) | Reg. | | | | | | | |
| Loxton: External Water Supply | | | R 8.463,903.78 | R 3,905,077 | R 1,952,000 | R 1,686,000 | R 586,923 | R 333,903.78 |
| Vic West: External Water Supply | | | | | | | | R 1,706,530.6 |
| Total | | | | R 3,905,077 | R 1,952,000 | R 1,686,000 | R 586,923 | R 2,040,434.93 |

Loxton: Extension of External Water Supply

BACKGROUND

The right of access to sufficient water is accorded to everyone in s 27(1)(b) of the Constitution, which states that everyone has the right to have access to sufficient water.

Section 27(2) requires the State to take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of the right.

The right of access to sufficient water in s 27(2) should be understood to mean that the State is not obliged to provide water freely, but is under an obligation to create mechanisms that enable people to have access to sufficient water. In the event of resource constraints, which limit the ability of the State to fulfill its obligations, the State is still obliged to provide a plan of action that demonstrates that the full realization of the right shall be achieved over time. Furthermore, available resources should be utilized effectively so as to give maximum results, with priority being given to assuring to everyone, the satisfaction of the most basic requirements as well as the provision of essential services, including access to sufficient water.

Sufficient water refers to the quality and quantity required to satisfy basic domestic needs. The quantity refers to the minimum amount of water required to meet basic needs, and the quality refers to the minimum standards acceptable to consumers in terms of health related characteristics. Water quality implies that it should be free from adverse substances such as toxins, bacteria and other harmful substances. This is important because safe drinking water is an essential part of the human diet and is necessary for survival, and should therefore be within acceptable standards with regards to potability (taste, odour and appearance). It should be safe enough for food preparation, bathing, and for washing laundry.

Site inspection 1 - Bokpoort levels where as follow:

Bokpoort 1 65m bottom of the borehole

Bokpoort 2 9m

Site Inspection 2 -

Bokpoort1 54m bottom of the borehole

Bokpoort2 9.7m

Bokpoort 1 seems to have collapsed from 65m to 54m both times not having water in the borehole. Bokpoort 2 for the last 2 years has not been pumping so why is the water levels then dropping in the aquifer it seems like the water is being depleted.

Here is a record from 2009 taking into account that from 2013 the aquifer was not pumped with good rains and the water level is still dropping and boreholes collapsing

| | | | | | | | Good Rain | | April Rain | | No rain | | | |
|--------|--------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------------------|----------------------------|
| | | Summer 2009 | Summer 2010 | Winter 2010 | Summer 2011 | Winter 2011 | Summer 2012 | Winter 2012 | Summer 2013 | Winter 2013 | Summer 2014 | Winter 2014 | Summer 2015 | Winter 2015 |
| Loxton | 2 hand | 16 | 19 | 4 | 7 | 5 | 3 | 3 | 5 | 4 | 3 | 3 | 9 | 9.7 |
| | | 76 | 61 | 55 | 58 | 50 | 50 | 50 | 50 | 40 | 30 | 50 | 65 bottom of well no water | 54 bottom of well no water |

ONGOING PROJECT: WORKING PROGRESS – LOXTON EXTERNAL BULK WATER SUPPLY

| | | |
|---------------------------------|----------|------------------------------------|
| COMMENCEMENT DATE | : | 12 JANUARY 2015 |
| DATE OF COMPLETION | : | 30 OCTOBER 2015 (Anticipated date) |
| PROJECT COST | : | R 8,463,903.78 |
| PROFESSIONAL ENGINEER | : | STABILIS |
| PROFESSIONAL FEES | : | R 869,900.00 |
| EXPENDITURE TO DATE | : | R 4 714 325.49 |
| WORK OPPORTUNITY CREATED | : | 70 (LOCALS) |

Project specification Outputs

▪ **BOREHOLE DEVELOPMENT**

Installation and construction of the following engineering tasks:

Submersible Pump, Electrical Supply 1000m overhead line, Pump House (4m X 3m), Electrical switch gear, 110mm diameter PVC pipe 2800m (Class 9)

▪ **PURIFICATION PLANT**

Installation and construction of the following engineering tasks:

Pre-filtration assembly & 20m³ Break tank, 2 carbon filters duty, 12m³/hr reverse osmosis system, Control Panel and telemetric system.

- GENERAL ENGINEERING WORKS

Installation and construction of the following engineering tasks:

Galvanized bolted tank, Electrical supply to plant, control room, Earth Works, Security Fence, Access road and etc.

MILESTONE ACHIEVED

- Overall Progress = 75% completed with a steadily improving progress of satisfaction quality of workmanship with all the material delivered on site

CHALLENGES

- Political instability and intrusion.

CHALLENGES

The overall political instability had a negative impact to the project, the implementation plan failed due political intrusion. The project was stopped on numerous occasions by Council due to municipal internal matters. Council disregarded the project and prioritized the implementation of Ubuntu Upgrading of Streets over the Loxton Water crisis.

MONITORING AND SUPERVISION

The appointed service provider with the assistance of Municipal technical Department unit did their best in terms of monitoring the project. The project is still commencing – **(WORKING PROGRESS)**

WHAT ARE THE RESULTS AND WHO BENEFITED?

The community of Loxton will overall benefit a lot from the project, skills will be developed and many jobs were created to alleviate poverty during this project. Water crisis will be addressed with the implementation of bulk supply. **WATER IS LIFE.**

ONGOING PROJECT: WORKING PROGRESS

- **Construction of Victoria West Cemetery**

| | | |
|--------------------------|---|--------------------------------------|
| PERIOD OF CONTRACT | : | Approximately 6 months |
| DATE OF COMPLETION | : | 30 September 2015 (Anticipated date) |
| CONTRACT AMOUNT | : | R 1 124 918.00 |
| ACTUAL EXPENDITURE | : | R 931 804.00 |
| BALANCE | : | R 1 124 918.00 |
| CONSULTANT | : | STABILIS |
| WORK OPPORTUNITY CREATED | : | 40 (LOCALS) |

Project specification Outputs and Progress Report

The project is about construction of a newly proposed Grave yard site in Victoria West. A full Environment Impact Assessment was acquired for permit or license of which a positive Record of decision was issued and received by the municipality. In summary: A portion of land was identified, approximately 5 Hectares for development of new cemeteries Phase 1 of the identified land is approximately 1.5 hectares which can accommodate an estimated amount of 825 graves (665 – Adults and 160 – Children), which can accommodate us for a period of 4 to 5 years.

MILESTONE ACHIEVED

- Overall Progress = 95% completed with a steadily improving progress of satisfaction quality of workmanship with only civil engineering services still outstanding. The connection will be completed concurrently with the bucket eradication project of Extension 11.

CHALLENGES

- Monitoring and supervision

MONITORING AND SUPERVISION

Our Municipal technical Department unit did their best in terms of monitoring the project.

WHAT ARE THE RESULTS AND WHO BENEFITED?

The community of Victoria West benefited a lot from the projects, skills were developed and many jobs were created to alleviate poverty during this project and they still benefiting with the excavation of trenches, fencing and actual construction in Victoria West.

PROGRESS REPORT - UBUNTU UPGRADING OF STREETS

APPROVED AND REGISTERED FOR THE 2014/15:

UBUNTU UPGRADING OF STREETS – SUPPLY OF MATERIALS

- | | | | |
|-----------------------|---|---------------------------------------|---------------------------------|
| ▪ PROJECT COST | : | R 5 192 318.00 | |
| ▪ EXPENDITURE TO DATE | : | R 1 672 055.73 | |
| ▪ BALANCE | : | R 3 520 626.27 | |
| ▪ PROJECT DURATION | : | 6 MONTHS | |
| ▪ COMPLETION DATE | : | 27 NOVEMBER 2015 | <i>(Anticipated Completion)</i> |
| ▪ LABOUR COMPONENT | : | (Excluded in the overall Cost) | |
| ▪ PLANTS COMPONENT | : | (included in the overall Cost) | |

WORK OPPORTUNITIES CREATED

The total number of opportunities that will be created in the project is **60** in Victoria West for project duration of 6 months. **MAC-ADAM** method will be applied for the construction of the road.

| ROAD NAME | LENGTH | WIDTH | SURFACING | SIDE WALKS | COMPLETION PROGRESS |
|---------------------------------|---------|--------|-----------|------------|---------------------|
| <u>Collector Street:</u> | | | | | |
| <i>EXTENSION STREET</i> 10 | 1.86 Km | 7.00 m | Tar | 1.86 X 2 | 70% |

MILESTONE ACHIEVED

- Overall Progress = 30% completed with a steadily improving progress of satisfaction quality of workmanship with all the CURRENT required material delivered on site

CHALLENGES

Political intrusion had a negative impact on the project. As per remedial implementation plan the project was not earmarked for development. Due to council decisions the project was implemented as per their command. The project was implemented late in the financial year. Other road related projects were also stopped by council with regards to internal matter that were taking place.

MONITORING AND SUPERVISION

Our Municipal technical Department unit did their best in terms of monitoring the project.

WHAT ARE THE RESULTS AND WHO BENEFITED?

The community of Victoria West benefited a lot from the projects, skills were developed and many jobs were created to alleviate poverty during this project and they still benefiting with (Construction / Upgrading of Streets in Victoria West).

INCENTIVE GRANT: E P W P

| INCENTIVE GRANT Capital Expenditure 2014/15: Extended Public Works Programme | | | | | | |
|--|---------|-------------------|--------------------|-------------------------------|----------------------------|--------------------|
| R '000 | | | | | | |
| Capital Projects | 2014/15 | | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from Original budget | Work Opportunities created | Milestone Achieved |
| Total All | R1 000 | R1 000 | R 1 000 | | 170 | R 1 000 |

Capital Expenditure 2014/15: Incentive Grant

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TO

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The LED Manager's position is vacant and no LED activities took place for the financial year 2014/2015

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Libraries

The seven libraries in the Municipal area circulated books and library materials to the public on a daily basis. Different programmes were held with the public and the different school and crèches in the Municipal area. This department appointed 4 temporally assistant librarians 3 cleaner and 1 gardener at the libraries on a one year contract basis. The Library Development Programme was not implementing successfully and we have received the allocated funding by the department, due to financial difficulties we had to use some of the money in the operational budget. We also sit with the challenge of lost library material due ill discipline members of the public who does not bring back the material they have borrowed.

Archives

The registry personnel handled all correspondences on a daily basis and distributed it to the different head of department. Filing and recordkeeping was done daily. Post of mail and parcel has also been done by this staff.

Child care

This is not a Municipal function but Ubuntu Municipality has avail buildings to the communities in Richmond, Hutchinson and Victoria West free of charge.

Social Programs

Ubuntu was involved in the following social programs during the year under review.

Avail accommodation to the Soup kitchen in Victoria West & Richmond, Loxton

Back to school campaign

Sixteen day of activism against women and children abuse

World aids day activities

Mandela day activities

Cleaning campaigns

INTRODUCTION TO CEMETORIES & CREMATORIALS

Ubuntu Municipality provide to all the communities with cemetery service. The community buy grave sites from the Municipality and dig their hole. A fully compliant grave register was kept. The municipality do not provide cremations service. The cemeteries are not in good conditions. A Wall was build around one of the cemeteries in Victoria West. Cemeteries were cleaned on a regular basis by project and Municipal Staff. Currently we don't have permanent staff at the cemeteries.

COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

INTRODUCTION TO HEALTH

Ubuntu Municipality is not providing clinical, ambulance services to the communities. These services are rendered by the Department of Health. Loxton, Hutchinson and Merriman don't have ambulance services. They make use of the ambulance services of Victoria West or Richmond. This is a huge challenge for these communities. Environmental Health services were provided by an Environmental Health practitioner on a daily basis to all communities.

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

Ubuntu Municipality is only providing fire services to the communities.

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

INTRODUCTION TO SPORT AND RECREATION

Ubuntu Municipality have some community halls, soccer, netball, rugby, tennis courts, squash court, gym, caravan parks etc. These facilities are not in good conditions due to vandalism. Our budget is very tight to upgrade and maintain these facilities. The Old Stadium in Sunrise (Victoria West) was upgrade with funds received from Department of Sport Arts & Culture. Equipment for a gym were donate to the Richmond community by the department .Minor upgrading work was done by a American company on the Richmond Skougronde facilities

3.70 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

This services is not provided by the Municipality

3.71 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

HUMAN RESOURCE MANAGEMENT

The council supports the national Labour legislation, Bargaining Council Agreements, Guidelines, council's policies and Skills Development legislations.

ORGANIGRAM

The organogram was reviewed during 2011 and approved by the council.

STAFF ESTABLISHMENT

The council's staff establishment is as follows:

| | |
|---|-------|
| Approved post according to the Organogram | - 151 |
| Filled posts | - 113 |
| Vacant posts | - 38 |
| Mentor posts filled | - 14 |
| Mentor posts vacant | - 0 |
| Community Development Workers | - 8 |
| Temporally Staff in service | - 54 |
| Financial interns | -6 |

NEW APPOINTMENTS

The following appointments were made during the year:

30 General workers

RETIREMENTS

The following worker retired from the service of Ubuntu Municipality:

Normal retirement - 1

Early Retirement - 4

Retirement because of ill health - 0

RESIGNATIONS / DISMISSALS / DEATH IN SERVICES /

The following worker is no more in service of the Municipality due to the following reasons:

Resignations – 6

Dismissals – 0

Death in services – 1

Transferred – 1 (Department of Health)

All worker which retired, resigned, were dismissed or who died in service received their benefits from the pension funds and the Municipality. No cases is outstanding

SKILLS DEVELOPMENT

The skills development plan was not compiled and submitted on the 30 April 2014 to LGSETA for the year under review. However 2 Traffic Officers were sent to training for Grade A Examiners Course.

EMPLOYMENT EQUITY PLAN

The Employment Equity Plan were compiled and consulted with the unions and was submitted to the Department of Labour. We have reviewed the plan and will implement it when we fill the vacancies on our organogram.

PERFORMANCE MANAGEMENT SYSTEM

No performance contracts were signed by HOD's for the year 2014/2015 and no bonuses were paid.

OCCUPTIONAL HEALTH AND SAFETY

The Municipality is struggling to appoint Health & Safety Committee due to non-interest of the employees. We do however report accidents to the Compensation Commissioner as they occur. No serious/deadly accidents were reported.

JOB DESCRIPTIONS

The Municipality developed job description for all employees. A benchmarking process were followed to grade the post on the organogram

DISCIPLINE AND DISCIPLINARY HEARINGS

The general discipline of the workers has improved. When a staff member is involve in misconduct we charge him and take him to a disciplinary hearing as prescribed by the Disciplinary Code Agreement. We did have disciplinary hearings during the year of which all case were successfully handled by the employer. The case of the Municipal Manager was concluded internally and is in CCMA process. Two cases were referred to the SALGBC for conciliation and 2 for arbitration.

LOCAL LABOUR FORUM (LLF)

The LLF was established to consult and to negotiate labour related cases as prescribed in the Organizational Rights Agreement. The Municipality have oversee that all bargaining council agreements have been adhered to as prescribed by the Organizational Rights Agreement and the Municipal Systems Act. Our challenge is the weak attendance of LLF meetings by all parties due to other commitments and programs

LEAVE

The department captured all leave taken on a weekly basis on the financial system. On a monthly basis a leave register was printed and kept for audit purposes. It was also discovered /found that the leave system have some faults. The department requested the service provider (Sabata) to do the necessary rectification. No disputes were lodge by employees.

3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Ubuntu Municipality do not have a fully functional ICT section. We make use of services provider to render these services.

3.73 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Ubuntu have a full compliance asset register in place. All properties are maintained with the available budget. An asset manager is checking and counting council property on a regular basis. Council properties have been fully assured with an insurer. Council have valued all its properties. Legal services have been outsourced and we also receive legal assistance from the district Municipality and the office of the States Attorney. Ubuntu have a section who is dealing with the procurement of goods and services. All the relevant supply chain committees are in place. The necessary policies have been approved by council to improve procurement services.

The municipality has experience major cash flow problems during 2014/15 financial year as a result of non payment of municipal services by consumers which resulted to the current state of affairs including irregular payment of creditors, bank overdraft and insufficient working capital to ensure sustainable operating and capital services and projects.

3.73.1

4.1 STATEMENTS OF FINANCIAL PERFORMANCE

.2. GRANTS

4.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Ubuntu Municipality have an approve Asset Management policy. The Asset Manager (financial intern) captures all new assets on monthly basis on to the asset register. The asset manager marks all assets with a unique barcode. For the year under review no auctions took place to dispose absolute items.

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

The Municipal Manager was suspended and charged for financial misconduct during the year under review.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2

4.3

4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE REWARDS:

See performance report

T4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Municipality could not capacitate or send its employees to trainings due to budget constraints during the 2014/15 financial year.

T4.5.0

Chapter 4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Delete Directive note once comment is complete – Explain the importance of managing workforce expenditure, the pressures to overspend and how spending is controlled (e.g. within approved establishment and against budget and anticipated vacancy rates arising from turnover). Also explain how municipality seeks to obtain value for money from work force expenditure.

T4.6.0

Chapter 4

4.6 EMPLOYEE EXPENDITURE

29 EMPLOYEE RELATED COSTS

| | | |
|---|-------------------|-------------------|
| Bargaining Council Levy | 13 194 | 13 290 |
| Bonus | 1 155 605 | 938 431 |
| Performance Bonus | - | 416 291 |
| Contributions for UIF, pensions and medical aids | 3 681 274 | 3 298 944 |
| Group Life Insurance | 2 247 | 2 247 |
| Housing Subsidy | 31 757 | 30 477 |
| Leave Reserve Fund | 239 764 | 138 784 |
| Long service awards | 91 190 | 75 483 |
| Overtime | 1 952 291 | 1 489 401 |
| Post Employment Health | 171 727 | 230 140 |
| Salaries and Wages | 18 257 325 | 16 760 700 |
| Travel, motor car, telephone, assistance and other allowances | 1 239 757 | 1 338 145 |
| Total Employee Related Costs | 26 836 132 | 24 732 334 |

KEY MANAGEMENT PERSONNEL

Municipal Manager is appointed on a 5-year and all other Directors on a 5-year fixed contract. There are no post-employment or termination benefits payable to them at the end of the contract period.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the Municipal Manager - Mr M F Fillis

| | | |
|---|------------------|------------------|
| Annual Remuneration | 684 561 | 641 035 |
| Performance Bonuses | - | 127 140 |
| Travelling Allowance | 187 998 | 176 044 |
| Telephone allowance | 5 985 | 5 605 |
| Contributions to UIF, Medical, Pension Funds and Bargaining Council | 123 063 | 181 289 |
| Total | 1 001 607 | 1 131 112 |

Remuneration of the Director Infrastructure and Technical Services - Mr Zingane

| | | |
|--|----------------|----------------|
| Annual Remuneration | 537 482 | 503 308 |
| Performance Bonuses | - | 93 406 |
| Travelling Allowance | 163 224 | 152 846 |
| Telephone allowance | 7 773 | 7 278 |
| Contributions to Medical and Pension Funds | 111 689 | 104 587 |
| Total | 820 168 | 861 425 |

Remuneration of the Director Corporate Services - Mr Jacobs

| | | |
|--|----------------|----------------|
| Annual Remuneration | 457 115 | 417 022 |
| Performance Bonuses | - | 85 357 |
| Travelling Allowance | 77 726 | 86 427 |
| Telephone allowance | 4 424 | 4 918 |
| Contributions to Medical and Pension Funds | 23 186 | 77 762 |
| Total | 562 450 | 671 487 |

Remuneration of the Director Financial Services - Me Plaatjies

| | | |
|--|----------------|------------------|
| Annual Remuneration | 107 177 | 602 175 |
| Performance Bonuses | - | 110 389 |
| Travelling Allowance | 31 198 | 175 285 |
| Telephone allowance | 1 295 | 7 278 |
| Contributions to Medical and Pension Funds | 29 729 | 168 120 |
| Total | 169 400 | 1 063 247 |

Chapter 4

T4.6.1

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

No post were upgraded

T4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

Not all council and seniors have disclosed their financial interest as prescribed by legislation

T4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

| Financial Summary | | | | | | |
|--|---------|-----------------------|-----------------|----------|------------------|---------------------|
| R' 000 | | | | | | |
| Description | 2014/15 | Current Year: 2014/15 | | | 2014/15 Variance | |
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjust ments Budget |
| Financial Performance | | | | | | |
| Service charges | 14 039 | 16 409 | 16 409 | 15 861 | -3% | -3% |
| Investment revenue | 1 929 | 2 180 | 2 180 | 2 341 | 7% | 7% |
| Transfers recognised - operational | 19 577 | 20 785 | 20 785 | 21 970 | 5% | 5% |
| Other own revenue | 23 241 | 20 641 | 20 641 | 19 859 | -4% | -4% |
| Total Revenue (excluding capital transfers and contributions) | 62 018 | 66 211 | 66 211 | 66 038 | 0% | 0% |
| Employee costs | 20 076 | 28 606 | 28 606 | 23 347 | -23% | -23% |
| Remuneration of councillors | 1 828 | 2 030 | 2 030 | 2 194 | 7% | 7% |
| Depreciation & asset impairment | 5 234 | 5 724 | 5 724 | 5 985 | 4% | 4% |
| Finance charges | 851 | 650 | 650 | 972 | 33% | 33% |
| Materials and bulk purchases | 8 873 | 9 317 | 9 317 | 10 915 | % | % |
| Transfers and grants | – | – | – | – | #DIV/0! | #DIV/0! |
| Other expenditure | 31 727 | 34 984 | 34 984 | 32 689 | -7% | -7% |
| Total Expenditure | 68 589 | 81 312 | 81 312 | 76 102 | -7% | -7% |
| Surplus/(Deficit) | (6 571) | (15 101) | (15 101) | (10 064) | -50% | -50% |
| Transfers recognised - capital | 8 944 | 11 510 | 11 510 | 8 718 | % | % |
| Contributions recognised - capital & contributed assets | – | – | – | – | #DIV/0! | #DIV/0! |
| Surplus/(Deficit) after capital transfers & contributions | 2 372 | (3 591) | (3 591) | (1 346) | -167% | -167% |
| Share of surplus/ (deficit) of associate | – | – | – | – | % | % |
| Surplus/(Deficit) for the year | 2 372 | (3 591) | (3 591) | (1 346) | -167% | -167% |
| Capital expenditure & funds sources | | | | | | |
| Capital expenditure | | | | | | |
| Transfers recognised - capital | 8 944 | 11 510 | 11 510 | 8 718 | -32% | -32% |
| Public contributions & donations | 1 766 | – | – | – | #DIV/0! | #DIV/0! |
| Borrowing | – | – | – | – | % | % |
| Internally generated funds | 2 287 | 1 455 | 1 455 | 4 276 | 66% | 66% |
| Total sources of capital funds | 12 997 | 12 965 | 12 965 | 12 994 | 0% | 0% |
| Financial position | | | | | | |
| Total current assets | 4 033 | 2 053 | 2 053 | 4 799 | 57% | 57% |

Chapter 5

| | | | | | | |
|---|----------|----------|----------|---------|-------|--------|
| Total non-current assets | 146 392 | 146 686 | 146 686 | 149 810 | 2% | 2% |
| Total current liabilities | 16 111 | 40 548 | 40 548 | 21 381 | -90% | -90% |
| Total non-current liabilities | 8 208 | 5 458 | 5 458 | 8 469 | 36% | 36% |
| Community wealth/Equity | 126 106 | 102 733 | 102 733 | 124 760 | 18% | 18% |
| Cash flows | | | | | | |
| Net cash from (used) operating | 9 436 | 13 948 | 15 954 | 8 944 | -56% | -78% |
| Net cash from (used) investing | (13 154) | (9 748) | (12 919) | (9 509) | -3% | -36% |
| Net cash from (used) financing | 720 | (1 716) | (196) | (346) | -395% | 43% |
| Cash/cash equivalents at the year end | 488 | 16 390 | (12 294) | (423) | 3973% | -2805% |
| Cash backing/surplus reconciliation | | | | | | |
| Cash and investments available | 2 010 | (23 754) | (23 754) | 1 194 | 2090% | 2090% |
| Application of cash and investments | 9 669 | 11 132 | 11 132 | 7 404 | -50% | -50% |
| Balance - surplus (shortfall) | (7 659) | (34 886) | (34 886) | (6 210) | -462% | -462% |
| Asset management | | | | | | |
| Asset register summary (WDV) | 144 870 | 145 196 | 145 196 | 148 194 | 2% | 2% |
| Depreciation & asset impairment | 5 234 | 5 724 | 5 724 | 5 985 | 4% | 4% |
| Renewal of Existing Assets | – | – | – | – | % | % |
| Repairs and Maintenance | 1 897 | 5 026 | 5 026 | 1 358 | -270% | -270% |
| <i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1</i> | | | | | | |

T5.1.1

| Financial Performance of Operational Services | | | | | | |
|---|---------|-----------------|--------------------|--------|------------------|--------------------|
| | | | | | | R '000 |
| Description | 2014/15 | 2014/15 | | | 2014/15 Variance | |
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| Operating Cost | | | | | | |
| Water | 3 030 | 3 369 | 3 369 | 3 456 | 0.00% | 0.00% |
| Waste Water (Sanitation) | 2 968 | 2 855 | 2 855 | 3 470 | 0.00% | 0.00% |
| Electricity | 10 673 | 13 170 | 13 170 | 12 533 | 0.00% | 0.00% |
| Waste Management | 1 759 | 2 255 | 2 255 | 2 684 | 15.99% | 15.99% |
| Housing | – | – | – | – | 0.00% | 0.00% |
| Component A: sub-total | 18 431 | 21 648 | 21 648 | 22 142 | 2.23% | 2.23% |

Chapter 5

| | | | | | | |
|---|---------------|---------------|---------------|---------------|----------------|----------------|
| Waste Water (Storm water Drainage) | – | – | – | – | 0.00% | 0.00% |
| Roads | 2 481 | 4 582 | 4 582 | 2 532 | -81.00% | -81.00% |
| Transport | 15 908 | 4 179 | 4 179 | 4 615 | 0.00% | 0.00% |
| Component B: sub-total | 18 389 | 8 762 | 8 762 | 7 147 | -22.59% | -22.59% |
| Planning | 5 956 | 8 377 | 8 377 | 5 747 | -45.76% | -45.76% |
| Local Economic Development | 0 | 12 | 12 | – | 0.00% | 0.00% |
| Component C: sub-total | 5 957 | 8 389 | 8 389 | 5 747 | -45.97% | -45.97% |
| Human Development | – | – | – | – | #DIV/0! | #DIV/0! |
| Local Economic Development | – | – | – | – | 0.00% | 0.00% |
| Component D: sub-total | – | – | – | – | #DIV/0! | #DIV/0! |
| Environmental Management | – | – | – | – | #DIV/0! | #DIV/0! |
| Component E: sub-total | – | – | – | – | #DIV/0! | #DIV/0! |
| Health | 61 | – | – | – | #DIV/0! | #DIV/0! |
| Component F: sub-total | 61 | – | – | – | #DIV/0! | #DIV/0! |
| Fire Services | 67 | 336 | 336 | 78 | -330.46% | -330.46% |
| Disaster Management | – | – | – | – | #DIV/0! | #DIV/0! |
| Component G: sub-total | 67 | 336 | 336 | 78 | -330.46% | -330.46% |
| Sport and Recreation | – | 148 | 148 | 4 | -4048.07% | -4048.07% |
| Component H: sub-total | – | 148 | 148 | 4 | -4048.07% | -4048.07% |
| Executive & Council | 5 707 | 7 248 | 7 248 | 5 352 | -35.42% | -35.42% |
| Financial Services | 15 314 | 16 334 | 16 334 | 18 394 | 11.20% | 11.20% |
| Human Resource Services | – | – | – | – | #DIV/0! | #DIV/0! |
| Support Services | 4 663 | 7 554 | 7 554 | 4 957 | -52.39% | -52.39% |
| Component D: sub-total | 25 684 | 31 136 | 31 136 | 28 703 | -8.48% | -8.48% |
| Total Expenditure | 68 589 | 70 418 | 70 418 | 63 820 | -10.34% | -10.34% |
| In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. | | | | | | |

T5.1.2

Chapter 5

COMMENT ON FINANCIAL PERFORMANCE:

For the year under review the council of Ubuntu did not approve an adjustment budget thus the variances.

T5.1.3

5.2 GRANTS

| Grant Performance | | | | | | |
|--|---------------|---------------|--------------------|---------------|---------------------|------------------------|
| R' 000 | | | | | | |
| Description | 2014/15 | 2014/15 | | | 2014/15 Variance | |
| | Actual | Budget | Adjustments Budget | Actual | Original Budget (%) | Adjustments Budget (%) |
| - | | | | | | |
| <u>Operating Transfers and Grants</u> | | | | | | |
| National Government: | 18 992 | 20 035 | 20 035 | 21 481 | 6.73% | 6.73% |
| Equitable share | 15 157 | 17 705 | 17 705 | 17 705 | 0.00% | 0.00% |
| Municipal Systems Improvement | 873 | 800 | 800 | 245 | -227.14% | -227.14% |
| Department of Water Affairs | 471 | - | - | 64 | 100.00% | 100.00% |
| Skills Development | 101 | 30 | 30 | 96 | 68.65% | 68.65% |
| Finance Management Grant | 1 444 | 1 500 | 1 500 | 1 500 | 0.00% | 0.00% |
| Expanded Public Works Program (EPWP) | - | - | - | 1 000 | 100.00% | 100.00% |
| Municipal Infrastructure Grant | 946 | - | - | 872 | 100.00% | 100.00% |
| Provincial Government: | 585 | 750 | 750 | 466 | -60.88% | -60.88% |
| Library | 585 | 750 | 750 | 466 | -60.88% | -60.88% |
| District Municipality: | - | - | - | 23 | | |
| Upgrading of Sportsgrounds | - | - | - | 23 | 100.00% | 100.00% |
| | | | | | | |
| Total Operating Transfers and Grants | 19 577 | 20 785 | 20 785 | 21 970 | | |

COMMENT ON OPERATING TRANSFERS AND GRANTS:

In 2011/2012 financial year the municipality had commitments on the MSIG yet not paid which than rolled over to 2014/2015.

T5.2.2

Chapter 5

| Grants Received From Sources Other Than Division of Revenue Act (DoRA) | | | | | | |
|--|----------------------|----------------------|--------------------------------|-----------------------|--|--|
| Details of Donor | Actual Grant 2014/15 | Actual Grant 2014/15 | 2014/15 Municipal Contribution | Date Grant terminates | Date Municipal contribution terminates | Nature and benefit from the grant received, include description of any contributions in kind |
| Parastatals | | | | | | |
| DWA | 489 293 | 692 036 | - | Once-off | N/A | Upgrading of water infrastructure |
| A - "Project 2" | | | | | | |
| B - "Project 1" | | | | | | |
| B - "Project 2" | | | | | | |
| | | | | | | |
| Foreign Governments/Development Aid Agencies | | | | | | |
| A - "Project 1" | | | | | | |
| A - "Project 2" | | | | | | |
| B - "Project 1" | | | | | | |
| B - "Project 2" | | | | | | |
| | | | | | | |
| Private Sector / Organisations | | | | | | |
| A - "Project 1" | | | | | | |
| A - "Project 2" | | | | | | |
| B - "Project 1" | | | | | | |
| B - "Project 2" | | | | | | |
| | | | | | | |
| <i>Provide a comprehensive response to this schedule</i> | | | | | | T5.2.3 |

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The municipality, due to financial constraints yet does not have a standalone asset management unit, however functions are decentralised without compromising quality of work.

T5.3.1

Chapter 5

| TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 1 | | | | |
|---|---------|---------|--------|--------|
| Asset 1 | | | | |
| Name | | | | |
| Description | | | | |
| Asset Type | | | | |
| Key Staff Involved | | | | |
| Staff Responsibilities | | | | |
| | Year -2 | Year -1 | Year 0 | Year 1 |
| Asset Value | | | | |
| Capital Implications | | | | |
| Future Purpose of Asset | | | | |
| Describe Key Issues | | | | |
| Policies in Place to Manage Asset | | | | |

| Asset 2 | | | | |
|-----------------------------------|---------|---------|--------|--------|
| Name | | | | |
| Description | | | | |
| Asset Type | | | | |
| Key Staff Involved | | | | |
| Staff Responsibilities | | | | |
| | Year -2 | Year -1 | Year 0 | Year 1 |
| Asset Value | | | | |
| Capital Implications | | | | |
| Future Purpose of Asset | | | | |
| Describe Key Issues | | | | |
| Policies in Place to Manage Asset | | | | |

| Asset 3 | | | | |
|-----------------------------------|---------|---------|--------|--------|
| Name | | | | |
| Description | | | | |
| Asset Type | | | | |
| Key Staff Involved | | | | |
| Staff Responsibilities | | | | |
| | Year -2 | Year -1 | Year 0 | Year 1 |
| Asset Value | | | | |
| Capital Implications | | | | |
| Future Purpose of Asset | | | | |
| Describe Key Issues | | | | |
| Policies in Place to Manage Asset | | | | |

Chapter 5

T5.3.2

| Repair and Maintenance Expenditure: 2014/15 | | | | R' 000 |
|---|-----------------|-------------------|--------|-----------------|
| | Original Budget | Adjustment Budget | Actual | Budget variance |
| Repairs and Maintenance Expenditure | 5 026 | 5 026 | 1 358 | 72.99% |

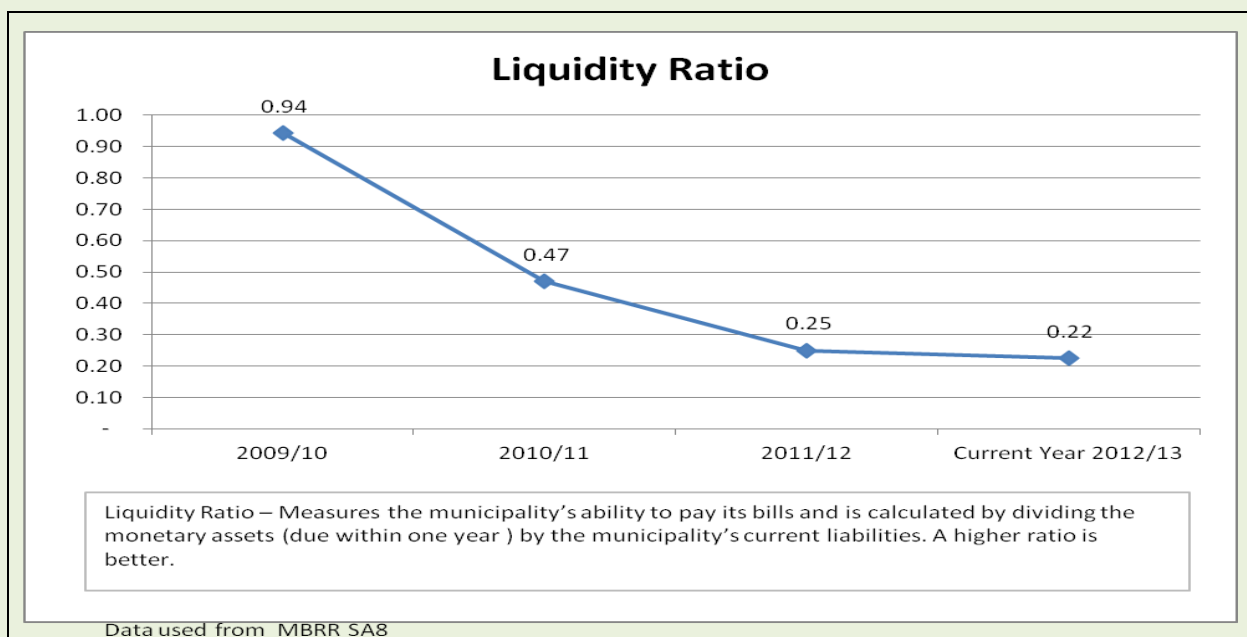
T5.3.4

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

Assets are repaired and maintained on a regular basis to ensure basic service delivery. The municipality has a bigger need for replacement but is financial challenged

T5.3.4.1

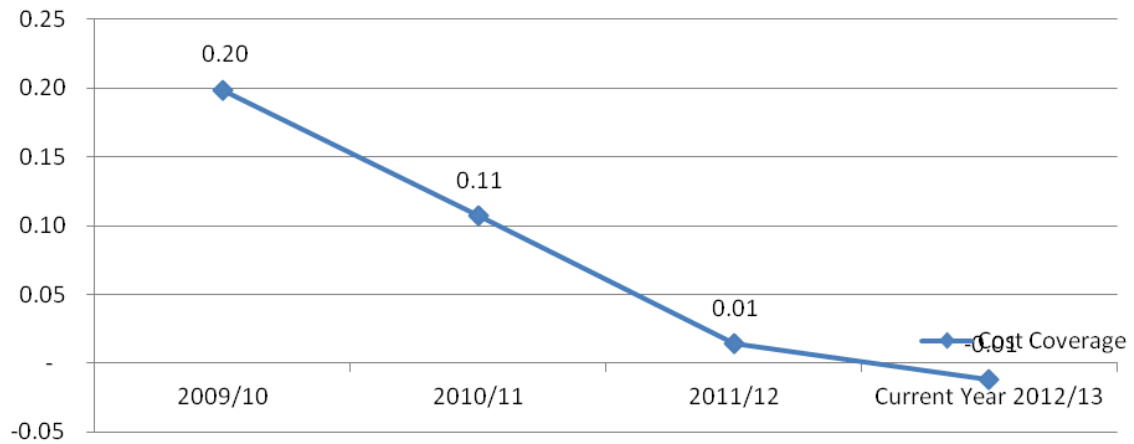
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



T5.4.1

Chapter 5

Cost Coverage



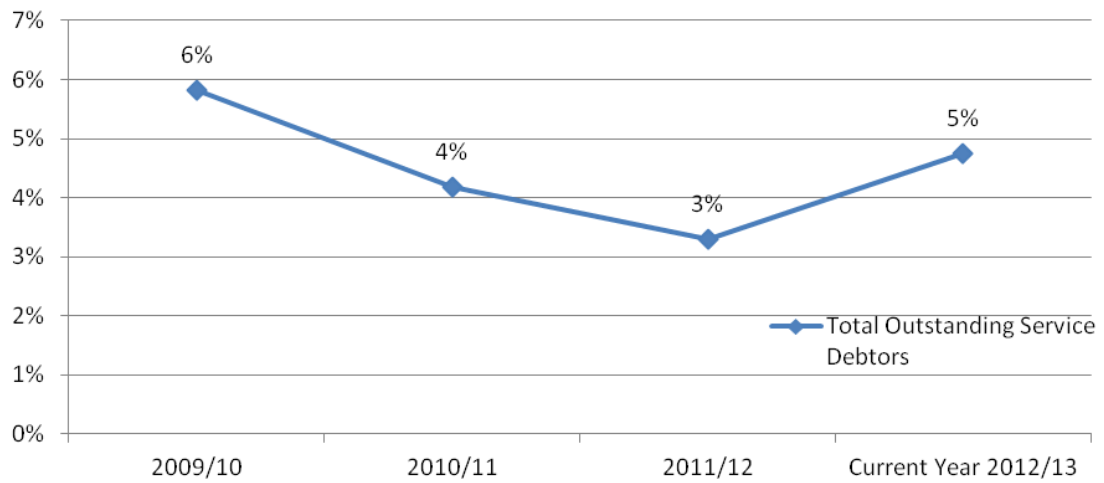
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants

Data used from MBRR SA8

T5.4.2

Chapter 5

Total Outstanding Service Debtors

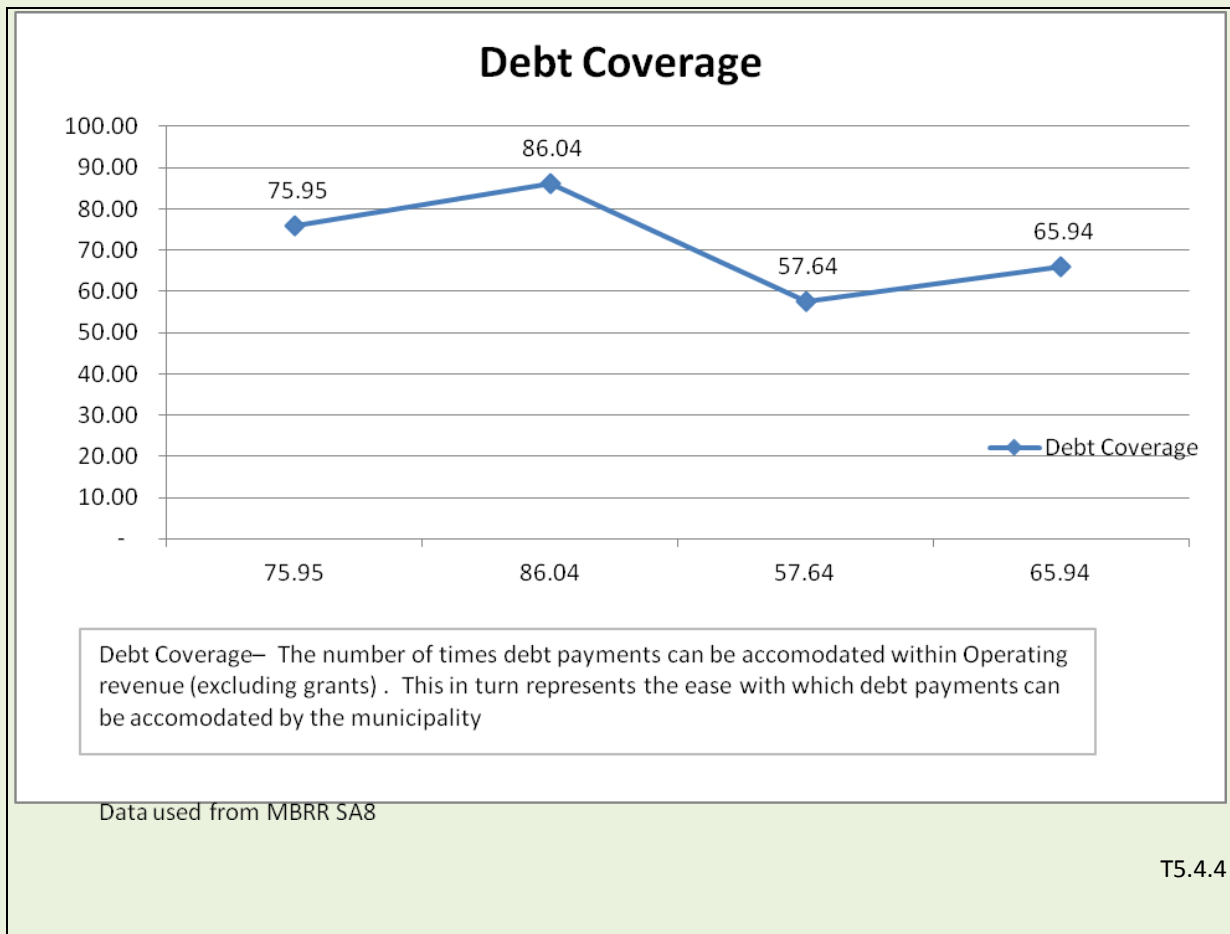


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Data used from MBRR SA8

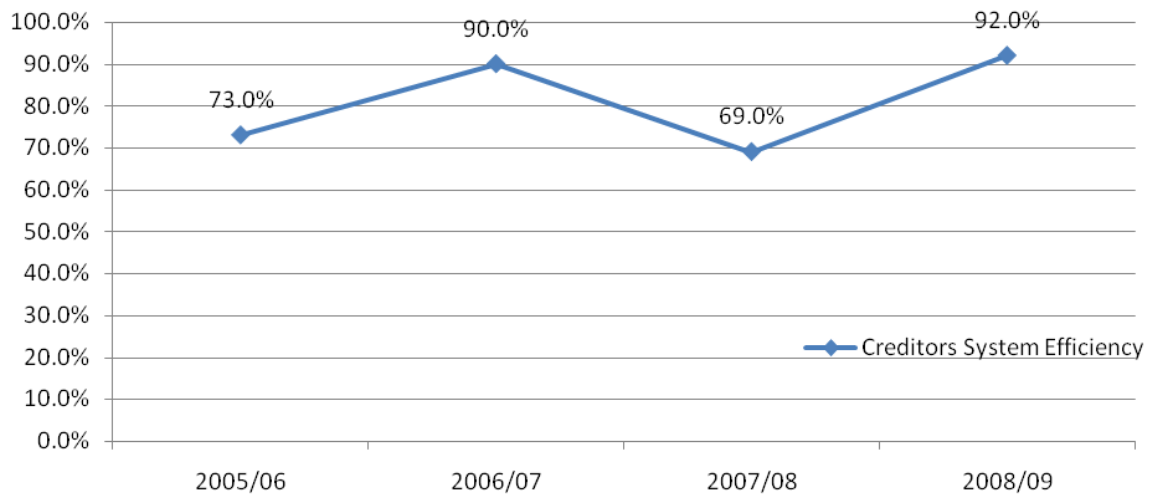
T5.4.3

Chapter 5



Chapter 5

Creditors System Efficiency



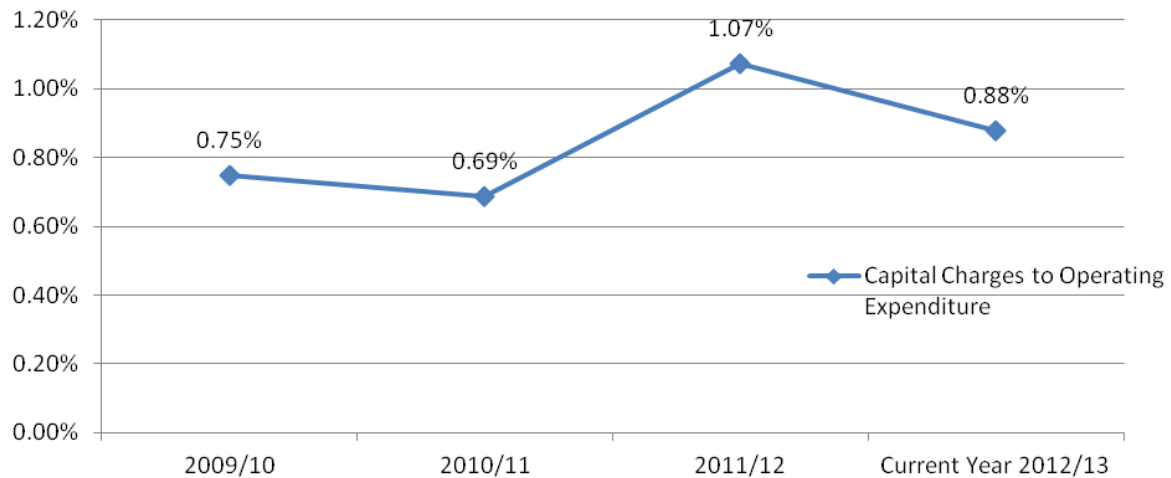
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T5.4.5

Chapter 5

Capital Charges to Operating Expenditure



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

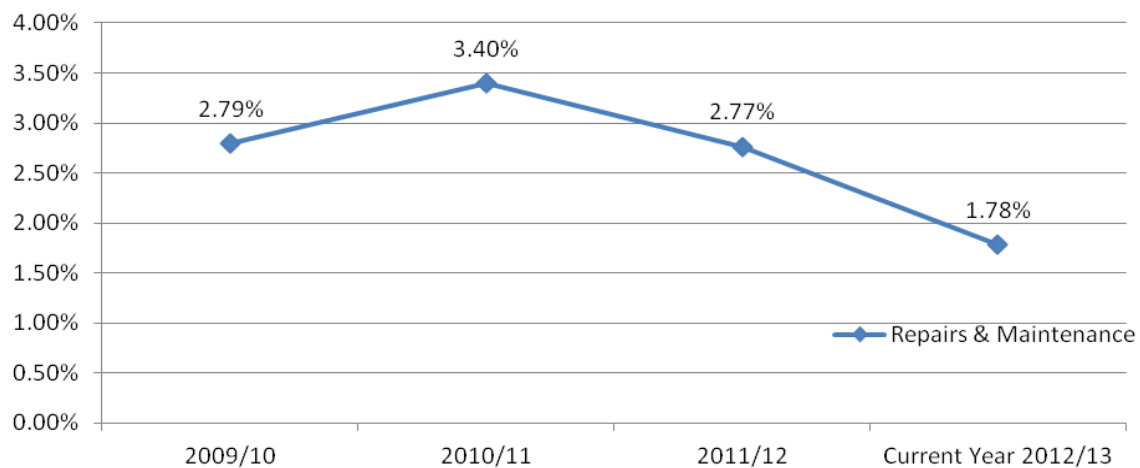
T5.4.6

OPERATING RATIOS

| DETAIL | % |
|----------------------------------|------|
| EMPLOYEE COST | 23.9 |
| REPAIRS & MAINTENANCE | 1.30 |
| FINANCE CHARGES AND DEPRECIATION | 6.80 |

Chapter 5

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent on repairs and maintenance and is calculated by dividing the total repairs and maintenance by the total operating expenditure.

Data used from MBRR SA8

T5.4.8

COMMENT ON FINANCIAL RATIOS:

The above financial ratios is an indication that the municipalities debtors days is on the increase on an annual basis, grants are being withheld due to the usage for operational purposes, resulting in the municipality to be financially challenged.

T5.4.9

Chapter 5

FINANCIAL OVERVIEW 2014/15

| DETAILS | ACTUAL INCOME 2014/15 | ACTUAL INCOME 2013/14 |
|--------------------------|-----------------------------|-----------------------------|
| GRANTS | 39 024 814 | 36 919 720 |
| TAXES LEVIES AND TARIFFS | 26 357 761 | 20 880 146 |
| OTHER INCOME | 55 077 796 | 56 216 162 |
| TOTAL INCOME | 120 460 371 | 114 016 028 |
| LESS EXPENDITURE | 111 921 359 | 110 114 107 |
| SURPLUS/(DEFICIT) | 8 539 012 | 3 901 921 |

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure in Ubuntu is fully funded from grants being the MIG and EPWP.

T5.5.0

Chapter 5

5.5 CAPITAL EXPENDITURE

TOTAL CAPITAL EXPENDITURE

| | |
|-------------------|---------------|
| ORIGINAL BUDGET | 11 155 000.00 |
| ADJUSTMENT BUDGET | 11 155 000.00 |
| ACTUAL | 11 190 707.00 |

5.6 SOURCES OF FINANCE

COMMENT ON SOURCES OF FUNDING: Sources of funding is Municipal Infrastructure Grant.

| Capital Expenditure - Funding Sources Year 0 to Year 1 | | | | | | | |
|--|------------------------------------|---------------|----------------------|-------------------|---------------|-------------------------------|---------------------------|
| R' 000 | | | | | | | |
| Details | | 2014/15 | 2014/15 | | | | |
| | | Actual | Original Budget (OB) | Adjustment Budget | Actual | Adjustment to OB Variance (%) | Actual to OB Variance (%) |
| Source of finance | | | | | | | |
| | External loans | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! |
| | Public contributions and donations | 1 766 | | | | #DIV/0! | #DIV/0! |
| | Grants and subsidies | 8 944 | 11 510 | 11 510 | 8 718 | 0.00% | -24.25% |
| | Other | 2 287 | 1 455 | 1 455 | 4 276 | 0.00% | 193.89% |
| Total | | 12 997 | 12 965 | 12 965 | 12 994 | #DIV/0! | #DIV/0! |
| Percentage of finance | | | | | | | |
| | External loans | 0.0% | 0.0% | 0.0% | 0.0% | #DIV/0! | 0.0% |
| | Public contributions and donations | 13.6% | 0.0% | 0.0% | 0.0% | #DIV/0! | 0.0% |
| | Grants and subsidies | 68.8% | 88.8% | 88.8% | 67.1% | 0.00% | 0.0% |
| | Other | 17.6% | 11.2% | 11.2% | 32.9% | 0.00% | 0.0% |
| Capital expenditure | | | | | | #DIV/0! | |
| | Water and sanitation | 5 181 | 5 336 | 5 336 | 237 | 0.00% | -95.55% |
| | Electricity | 813 | | | | #DIV/0! | 0.00% |
| | Housing | | | | | #DIV/0! | 0.00% |
| | Roads and storm water | 4 794 | 4 614 | 4 614 | 8 412 | 0.00% | 82.32% |

Chapter 5

| | | | | | | | |
|----------------------------------|-----------------------|---------------|---------------|---------------|---------------|----------------|---------------|
| | Other | 2 209 | 3 015 | 3 015 | 4 345 | 0.00% | 44.12% |
| Total | | 12 997 | 12 965 | 12 965 | 12 994 | #DIV/0! | 30.89% |
| <i>Percentage of expenditure</i> | | | | | | | |
| | Water and sanitation | 39.9% | 41.2% | 41.2% | 1.8% | #DIV/0! | -309.3% |
| | Electricity | 6.3% | 0.0% | 0.0% | 0.0% | #DIV/0! | 0.0% |
| | Housing | 0.0% | 0.0% | 0.0% | 0.0% | #DIV/0! | 0.0% |
| | Roads and storm water | 36.9% | 35.6% | 35.6% | 64.7% | #DIV/0! | 266.5% |
| | Other | 17.0% | 23.3% | 23.3% | 33.4% | #DIV/0! | 142.8% |
| | | | | | | | T5.6.1 |

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

| Capital Expenditure of 5 largest projects* | | | | | |
|---|-----------------------------|-------------------|--------------------|-------------------------------|-------------------------|
| R' 000 | | | | | |
| Name of Project | Current Year: Year 1 | | | Variance Current Year: Year 1 | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Original Variance (%) | Adjustment variance (%) |
| A - Storm Water Project | 3 225 872 | 3 225 872 | 3 317 180 | -3% | 0% |
| B - Project Road Noorder Street | 3 500 000 | 1 977 219 | 1 750 786 | 50% | 44% |
| C - Project Road New Bright Street | 4 784 128 | 5 265 723 | 1 732 206 | 64% | -10% |
| D - Installation of Bulketers | - | - | 455 094 | #DIV/0! | #DIV/0! |
| E - Services 36 Erven Loxton | - | - | 415 901 | #DIV/0! | #DIV/0! |
| * Projects with the highest capital expenditure in Year 1 | | | | | |
| | | | | | |
| Name of Project - A | Storm Water Project | | | | |
| Objective of Project | | | | | |
| Delays | | | | | |
| Future Challenges | | | | | |
| Anticipated citizen benefits | | | | | |
| | | | | | |
| Name of Project - B | Project Road Noorder Street | | | | |
| Objective of Project | | | | | |
| Delays | | | | | |

Chapter 5

| | |
|------------------------------|--------------------------------|
| Future Challenges | |
| Anticipated citizen benefits | |
| | |
| Name of Project - C | Project Road New Bright Street |
| Objective of Project | |
| Delays | |
| Future Challenges | |
| Anticipated citizen benefits | |
| | |
| Name of Project - D | Installation of Bulk meters |
| Objective of Project | |
| Delays | |
| Future Challenges | |
| Anticipated citizen benefits | |
| | |
| Name of Project - E | Services 36 Erven Loxton |
| Objective of Project | |
| Delays | |
| Future Challenges | |
| Anticipated citizen benefits | |
| | |
| T5.7.1 | |

BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW-ZINGANGE

| Service Backlogs as at 30 June 2009 | | | | |
|--|---------------------------------------|-------|--|-------|
| | *Service level above minimum standard | | **Service level below minimum standard | |
| | No. HHs | % HHs | No. HHs | % HHs |
| Water | | % | | % |
| Sanitation | | % | | % |
| Electricity | | % | | % |
| Waste management | | % | | % |
| Housing | | % | | % |
| % HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements. | | | | |
| T5.8.2 | | | | |

Municipal Infrastructure Grant (MIG)* Expenditure Year 1 on Service backlogs

R' 000

Chapter 5

| Details | Budget | Adjustments Budget | Actual | Variance | | Major conditions applied by donor (continue below if necessary) |
|--|---------------|-----------------------|--------------|----------------|-----------------------|--|
| | | | | Budget | Adjustments Budget | |
| Infrastructure - Road transport | 4 614 | 4 614 | 7 184 | -56% | 0% | |
| <i>Roads, Pavements & Bridges</i> | 4 614 | 4 614 | 3 867 | 16% | 0% | |
| <i>Storm water</i> | – | – | 3 317 | #DIV/0! | #DIV/0! | |
| Infrastructure - Electricity | – | – | – | #DIV/0! | #DIV/0! | |
| <i>Generation</i> | – | – | – | #DIV/0! | #DIV/0! | |
| <i>Transmission & Reticulation</i> | – | – | – | #DIV/0! | #DIV/0! | |
| <i>Street Lighting</i> | – | – | – | #DIV/0! | #DIV/0! | |
| Infrastructure - Water | – | – | – | #DIV/0! | #DIV/0! | |
| <i>Dams & Reservoirs</i> | – | – | – | #DIV/0! | #DIV/0! | |
| <i>Water purification</i> | – | – | – | #DIV/0! | #DIV/0! | |
| <i>Reticulation</i> | – | – | – | #DIV/0! | #DIV/0! | |
| Infrastructure - Sanitation | – | – | 91 | #DIV/0! | #DIV/0! | |
| <i>Reticulation</i> | – | – | – | #DIV/0! | #DIV/0! | |
| <i>Sewerage purification</i> | – | – | 91 | #DIV/0! | #DIV/0! | |
| Infrastructure - Other | 5 336 | 5 336 | – | 100% | 0% | |
| <i>Waste Management</i> | 5 336 | 5 336 | – | 100% | 0% | |
| <i>Transportation</i> | – | – | – | #DIV/0! | #DIV/0! | |
| <i>Gas</i> | – | – | – | #DIV/0! | #DIV/0! | |
| Other Specify: | 1 560 | 1 560 | 56 | 96% | 0% | |
| <i>Cemeteries</i> | 1 560 | 1 560 | 12 | 99% | 0% | |
| <i>Landfill Sites</i> | – | – | 44 | #DIV/0! | #DIV/0! | |
| | | | | #DIV/0! | #DIV/0! | |
| Total | 11 510 | 11 510 | 7 331 | 36% | 0% | |

* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T5.8.3

COMMENT ON BACKLOGS:

Chapter 5

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Daily cashflow management are performed within the finance department. However it remains a challenge with HOD not provided priority and needs list thus purchases are just authorised as and when leaving the finance department to “sort out” the payment. The municipality has been challenge through the cause of the financial year but always managed to pay it statutory obligations timeously.

T5.9.0

Chapter 5

5.9 CASH FLOW

| R'000 | | | | |
|---|-----------------|-----------------|-----------------|----------------|
| Description | 2014/15 | 2014/15 | | |
| | Audited Outcome | Original Budget | Adjusted Budget | Actual |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Receipts | | | | |
| Ratepayers and other | 36 711 | 39 824 | 39 824 | 28 475 |
| Government - operating | 18 710 | 20 785 | 20 785 | 21 480 |
| Government - capital | 9 822 | 11 510 | 11 510 | 12 501 |
| Interest | 1 929 | 2 180 | 2 180 | 2 341 |
| Dividends | – | – | – | – |
| Payments | | | | |
| Suppliers and employees | (56 885) | (70 730) | (70 730) | (54 882) |
| Finance charges | (851) | (650) | (650) | (972) |
| Transfers and Grants | – | – | – | – |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 9 436 | 2 918 | 2 918 | 8 944 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Receipts | | | | |
| Proceeds on disposal of PPE | 154 | 225 | 225 | 2 |
| Decrease (Increase) in non-current debtors | – | – | – | – |
| Decrease (increase) other non-current receivables | (215) | – | – | (355) |
| Decrease (increase) in non-current investments | (97) | (60) | (60) | (95) |
| Payments | | | | |
| Capital assets | (12 997) | (12 965) | (12 965) | (9 061) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (13 154) | (12 800) | (12 800) | (9 509) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Receipts | | | | |
| Short term loans | – | – | – | – |
| Borrowing long term/refinancing | 1 156 | – | – | – |
| Increase (decrease) in consumer deposits | 15 | 12 | 12 | 31 |
| Payments | | | | |
| Repayment of borrowing | (451) | (236) | (236) | (378) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | 720 | (224) | (224) | (346) |

Chapter 5

| | | | | |
|--|----------------|-----------------|-----------------|--------------|
| NET INCREASE/ (DECREASE) IN CASH HELD | (2 998) | (10 106) | (10 106) | (912) |
| Cash/cash equivalents at the year begin: | 3 486 | (15 133) | (15 133) | 488 |
| Cash/cash equivalents at the year-end: | 488 | (25 239) | (25 239) | (423) |
| Source: MBRR SA7 | | | | T5.9.1 |

COMMENT ON CASH FLOW OUTCOMES:

The municipality did not approve an adjustment budget in 2014/2015 thus not changes for the year under review.

T5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality only has one loan from the previous Richmond Municipality with DBSA. The loan has been restructured in 2013/2014. No new loans were taken up.

The municipality has two fixed term investments and call accounts with FNB.

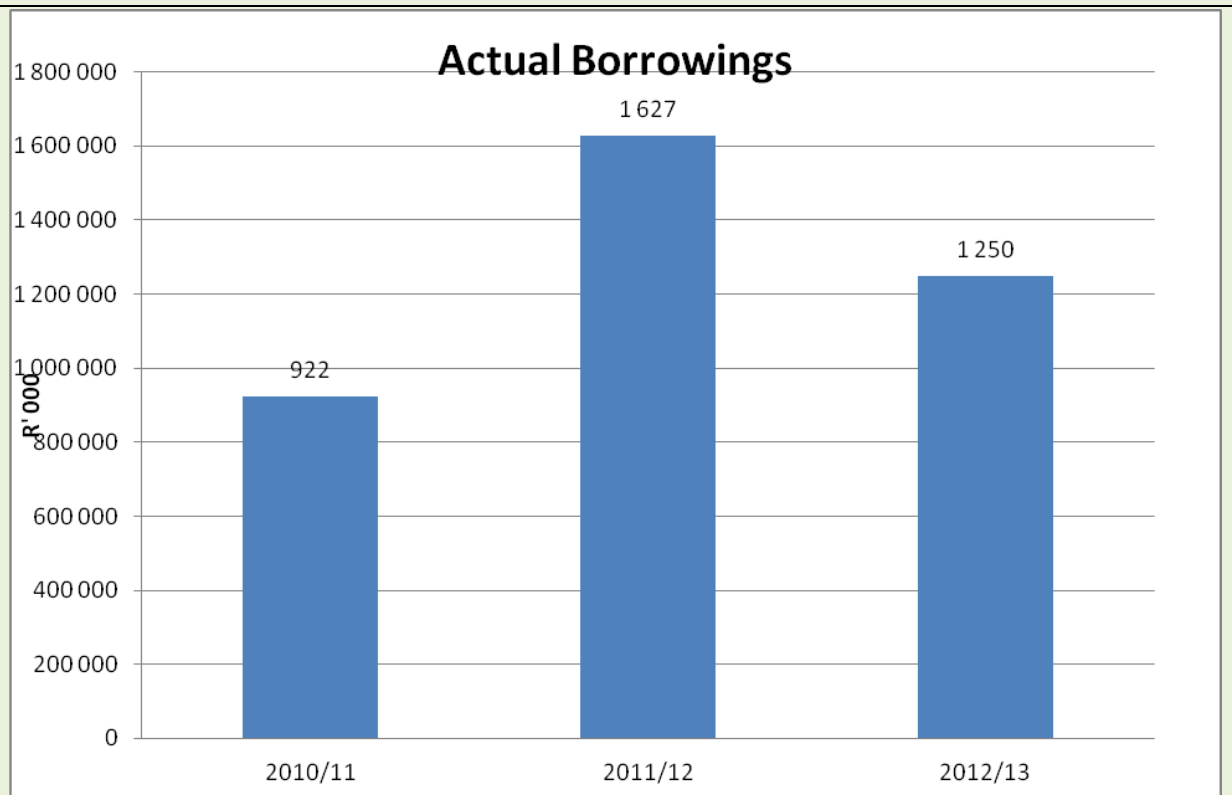
T5.10.1

| Actual Borrowings Year 2010/11 to 2014/15 | | | |
|--|----------------|----------------|----------------|
| | R' 000 | | |
| Instrument | 2010/11 | 2014/15 | 2014/15 |
| <u>Municipality</u> | 922 | 1 627 | 1 250 |
| Long-Term Loans (annuity/reducing balance) | 750 | 597 | 423 |
| Long-Term Loans (non-annuity) | - | - | - |
| Local registered stock | - | - | - |
| Instalment Credit | - | - | - |
| Financial Leases | 172 | 1 030 | 827 |
| PPP liabilities | - | - | - |
| Finance Granted By Cap Equipment Supplier | - | - | - |
| Marketable Bonds | - | - | - |
| Non-Marketable Bonds | - | - | - |
| Bankers Acceptances | - | - | - |
| Financial derivatives | - | - | - |

Chapter 5

| | | | |
|--|----------------|----------------|----------------|
| Other Securities | - | - | - |
| | | | |
| Instrument | 2010/11 | 2014/15 | 2014/15 |
| <u>Municipal Entities</u> | | | |
| Long-Term Loans (annuity/reducing balance) | - | - | - |
| Long-Term Loans (non-annuity) | - | - | - |
| Local registered stock | - | - | - |
| Instalment Credit | - | - | - |
| Financial Leases | - | - | - |
| PPP liabilities | - | - | - |
| Finance Granted By Cap Equipment Supplier | - | - | - |
| Marketable Bonds | - | - | - |
| Non-Marketable Bonds | - | - | - |
| Bankers Acceptances | - | - | - |
| Financial derivatives | - | - | - |
| Other Securities | - | - | - |
| Entities Total | | | |
| T5.10.2 | | | |

Chapter 5



T5.10.3

| Municipal and Entity Investments | | | |
|--|---------|---------|---------|
| Investment* type | 2010/11 | 2014/15 | 2014/15 |
| | Actual | Actual | Actual |
| <u>Municipality</u> | | | |
| Securities - National Government | - | - | - |
| Listed Corporate Bonds | - | - | - |
| Deposits - Bank | 1 425 | 1 522 | 1 617 |
| Deposits - Public Investment Commissioners | - | - | - |
| Deposits - Corporation for Public Deposits | - | - | - |
| Bankers Acceptance Certificates | - | - | - |

Chapter 5

| | | | |
|--|--------------|--------------|--------------|
| Negotiable Certificates of Deposit - Banks | - | - | - |
| Guaranteed Endowment Policies (sinking) | - | - | - |
| Repurchase Agreements - Banks | - | - | - |
| Municipal Bonds | - | - | - |
| Other | - | - | - |
| Municipality sub-total | 1 425 | 1 522 | 1 617 |
| | | | |
| <u>Municipal Entities</u> | | | |
| Securities - National Government | - | - | - |
| Listed Corporate Bonds | - | - | - |
| Deposits - Bank | - | - | - |
| Deposits - Public Investment Commissioners | - | - | - |
| Deposits - Corporation for Public Deposits | - | - | - |
| Bankers Acceptance Certificates | - | - | - |
| Negotiable Certificates of Deposit - Banks | - | - | - |
| Guaranteed Endowment Policies (sinking) | - | - | - |
| Repurchase Agreements - Banks | - | - | - |
| Other | - | - | - |
| Entities sub-total | | | |
| | | | |
| Consolidated total: | 1 425 | 1 522 | 1 617 |
| T5.10.4 | | | |

Chapter 5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

Ubuntu don't have Public Private Partnerships in place

T5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

A draft policy has been development with the assistance of the SCM unit in Provincial Treasury, however few shortcomings has been raised by the AG. The policy will be further developed. The municipality does not have a standalone unit and functions are decentralised.

T5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

The municipality is fully GRAP Compliant.

T5.13.1

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2014/2015

6.1 AUDITOR GENERAL REPORTS 2014/2015

| Auditor-General Report on Financial Performance Year 0 | |
|--|---|
| Audit Report Status*: | Unqualified |
| | |
| Non-Compliance Issues | Remedial Action Taken |
| See audit report | OPCAR developed and monthly meeting are being held with HODS and staff members. |
| | |
| | |
| | |
| <i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i> | |
| T6.1.1 | |

COMPONENT B: AUDITOR-GENERAL OPINION 2014/2015

6.2 AUDITOR GENERAL REPORT 2014/2015

| Auditor-General Report on Financial Performance Year 1* | |
|---|---|
| Status of audit report: | Unqualified |
| | |
| Non-Compliance Issues | Remedial Action Taken |
| See audit report | OPCAR developed and monthly meeting are being held with HODS and staff members. |
| | |
| | |
| | |
| | |

Chapter 6

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS 2014/2015

Delete Directive note once comment is complete – See report Attach

T6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION 2014/2015

The municipality welcomes the report and believes in further progress.

T6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES: Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements/ with the exception of those items and for those reasons given to both Provincial and National Treasury.

Signed (Chief financial Officer)..... Dated

T6.2.5

APPENDICES

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

| Municipal / Entity Functions | | |
|---|---|--|
| MUNICIPAL FUNCTIONS | Function Applicable to Municipality (Yes / No)* | Function Applicable to Entity (Yes / No) |
| Constitution Schedule 4, Part B functions: | | |
| Air pollution | | |
| Building regulations | | |
| Child care facilities | | |
| Electricity and gas reticulation | | |
| Firefighting services | | |
| Local tourism | | |
| Municipal airports | | |
| Municipal planning | | |
| Municipal health services | | |
| Municipal public transport | | |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other | | |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related | | |
| Stormwater management systems in built-up areas | | |
| Trading regulations | | |
| Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems | | |
| <i>Continued next page</i> | | |

APPENDICES

| <i>Continued from previous page</i> | | |
|---|---|--|
| Municipal / Entity Functions | | |
| MUNICIPAL FUNCTIONS | Function Applicable to Municipality (Yes / No)* | Function Applicable to Entity (Yes / No) |
| Constitution Schedule 5, Part B functions: | | |
| Beaches and amusement facilities | | |
| Billboards and the display of advertisements in public places | | |
| Cemeteries, funeral parlours and crematoria | | |
| Cleansing | | |
| Control of public nuisances | | |
| Control of undertakings that sell liquor to the public | | |
| Facilities for the accommodation, care and burial of animals | | |
| Fencing and fences | | |
| Licensing of dogs | | |
| Licensing and control of undertakings that sell food to the public | | |
| Local amenities | | |
| Local sport facilities | | |
| Markets | | |
| Municipal abattoirs | | |
| Municipal parks and recreation | | |
| Municipal roads | | |
| Noise pollution | | |
| Pounds | | |
| Public places | | |
| Refuse removal, refuse dumps and solid waste disposal | | |
| Street trading | | |
| Street lighting | | |
| Traffic and parking | | |
| * If municipality: indicate (yes or No); * If entity: Provide name of entity | | T D |

APPENDICES

APPENDIX E – WARD REPORTING

APPENDICES

APPENDICES
